

The NATIONAL UNDERWRITER



GENERAL REINSURANCE CORPORATION

Largest American multiple line market dealing exclusively in Reinsurance
ALL FIRE, CASUALTY, ACCIDENT AND HEALTH, BONDING AND MARINE LINES

FINANCIAL STATEMENT, December 31, 1956

ASSETS

Cash in Banks and Office	\$ 6,928,589
Investments:	
United States Govern-	
ment Bonds	\$23,926,324
Other Bonds	49,670,970
Preferred Stocks	8,676,925
Stocks of Subsidiary	
Companies	2,433,395
Other Common Stocks	26,770,983
Total	111,478,597
Premium Balances in Course of Collection	
(not over 90 days due)	4,591,960
Accrued Interest	585,002
Other Admitted Assets	1,169,377
Total Admitted Assets	\$124,753,525

LIABILITIES

Reserve for Claims and Claim Expenses	\$ 41,665,708
Reserve for Unearned Premiums	29,672,320
Funds Held under Reinsurance Treaties	3,567,058
Reserve for Commissions, Taxes and	
Other Liabilities	8,225,103
Capital	\$ 6,600,000
Surplus	35,023,336
Surplus to Policyholders	41,623,336
Total	\$124,753,525

Securities carried at \$6,410,723 in the above statement are deposited as required by law. Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners; if valued at market quotations, Surplus to Policyholders would be \$36,551,633.

DIRECTORS

EDWARD G. LOWRY, JR.
Chairman of the Board

JAMES A. CATHCART, JR.
President

ROBERT L. BRADDOCK
Executive Vice President

N. BAXTER JACKSON
Chairman of Executive Committee,
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HENRY C. BRUNIE
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Payson & Trask

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LUTHER G. HOLBROOK
Vice President,
T. Mellon and Sons

DONALD B. SMITH
Economic Consultant

J. DUGALD WHITE
President,
White Securities Corporation

Home Office: 90 JOHN STREET, NEW YORK 38, N. Y.

Midwestern Department: 1012 BALTIMORE BUILDING, KANSAS CITY 5, MO.

THURSDAY, APRIL 25, 1957

TARGET: TOP MANAGEMENT

Ætna Casualty tells its large-risk story in the nation's leading business publications



This ad is appearing in

**Fortune, May
Time, April 15
Newsweek, May 6
Business Week, April 27
Wall Street Journal, April 18
National Insurance Buyer, May**

Shown above is the first of a new series of **ÆTNA CASUALTY** advertisements directed to America's top business executives.

ÆTNA CASUALTY AND SURETY COMPANY

Affiliated with **ÆTNA LIFE INSURANCE COMPANY** • **STANDARD FIRE INSURANCE COMPANY**
Hartford 15, Connecticut

**ALL FORMS OF
CASUALTY, BONDING, FIRE AND MARINE PROTECTION**

Watch for future ads in this new series in these same publications

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

April 25, 1957
61st Year, No. 17

Iowa Agents Name R. D. Cline President at Annual Meeting

**Marketing, Highway Safety,
Insurance to Value Top
Problems Today: Irvine**

DES MOINES—Robert D. Cline of Des Moines was elected president of Iowa Assn. of Insurance Agents at the closing session of the annual convention here last week. He succeeds Dorr H. Hudson of Iowa City.



L. V. Irvine

The convention attracted 480 registrants, the largest in the association's history, and E. Stewart Ulrich, secretary - manager, was singled out for bringing about an outstanding growth in membership.

Mr. Cline is a past president of the Des Moines association and has been treasurer of the state association for a number of years. He is a CPCU.

Other officers elected include H. H. Nelson of Council Bluffs as vice-president, and Richard Grossman of Marshalltown as treasurer. Executive committeemen named are C. B. Donahue of Hampton, R. J. Connable of Keokuk, Calrk Caldwell of Iowa City and Lee M. Miller of Cherokee.

The 1958 convention will be in Des Moines in conjunction with the Mid-

(CONTINUED ON PAGE 28)

Highlights of the Week's News

Court holds U. S. not entitled to taxes from contractor retentions, U. S. appeals ...Page 18
Dubox answers questions of stock analysts, sees poor '57, good '58.Page 11
Insurance Service Assn. holds spring meeting April 24-27 in ColoradoPage 13
Texas—and elsewhere—underinsurance hurts insured, insurers and agentsPage 7
Package policies make dual role for adjusters, Paul I. Thomas assertsPage 9
1956 fire association operations reviewed at stockholders meetingPage 9
Chapman tells adjusters of claim fraud defensePage 10
Travelers wins Tennessee supreme court case on FCPL exclusionPage 8
1956 worst year yet for big firesPage 15
Compulsory gains in North Carolina, UJF set back as business splitsPage 20
Court restores Florida agent's license on appealPage 21
UJF signed in Maryland, to start operating in 1958Page 21
Osorio and Texas governor feud over board reorganizationPage 5
High court upholds Holz in agent license revocationPage 3
National Board "ad" program heads NAIA agenda for Denver meetingPage 2
New York life insurers now can own bank, insurance stocksPage 2

Federal Negotiates for Stock Control of Colonial Life

The boards of Colonial Life and Federal Ins. Co. have authorized negotiations looking toward Federal's acquisition of Colonial Life stock.

Qualified specialists will analyze the assets, liabilities and reserves of both companies as a guide for a final decision as to an offering of newly issued Federal stock to Colonial Life stockholders, according to Presidents Richard B. Evens of Colonial Life and Percy Chubb II of Federal. Such an offering would be contingent upon acceptance by holders of at least 80 to 85% of the outstanding shares of Colonial Life. If it is determined by both boards that it is desirable to proceed, final terms of the offering would be reported to stockholders of both companies at an early date.

It is planned that Colonial would continue to operate as a separate company under the direction of its own board, officers and staff. Officers of Federal would be added to the Colonial board and would serve on its committees. Likewise, officers of Colonial would be added to the board and committees of Federal.

Officers of both companies expressed the belief that the mutual association of the two companies would enable each to extend its scope of field operations and enlarge its respective sphere of service to the public.

Colonial has assets of over \$72.5 million and operates in Connecticut, Maryland, New Jersey, New York, Pennsylvania and Puerto Rico. Federal's assets exceed \$161 million and it is licensed in all states, Canada and other parts of the world.

Colonial was organized in 1897 and Federal was founded in 1901. Colonial's home office is at East Orange, N. J. More than 1,900 agents and 2,000 licensed brokers deal with Federal through its home office and its 12 branch offices. Federal's home office is in Holland Township, N. J., and its business office at New York.

Federal has been managed since its foundation by Chubb & Son, who recently completed a new office building in Short Hills, N. J.

Insurance Groups Ranked by Premium Volume

Leading insurance groups in the United States from the standpoint of total premiums written are listed below as their figures were compiled by the Argus Chart department of The National Underwriter Company. The ranking table is a popular feature of the Argus Fire Chart.

Premiums are on the basis of net premiums written, exclusive of life business. Continental Casualty and National Fire, which now make up the Continental-National group, are shown as separate groups for 1956, because they operated independently for the greatest part of that year.

1956	
Rank	Premiums Written
1. Travelers	621,379,069
2. Aetna Life group	499,697,212
3. Hartford Fire	361,990,790
4. North America	288,391,349
5. State Farm	286,988,395
6. Allstate	282,684,886
7. America Fore	271,637,341
8. Liberty Mutual	270,479,347
9. Continental Casualty	245,691,422
10. Home	237,584,571
11. U.S.F.&G.	230,754,488
12. The Fund	216,236,156
13. Royal-Globe	213,056,918
14. American, N. J.	177,215,530
15. Kemper companies	174,286,957
16. Loyalty	163,458,452
17. General Motors	159,527,772
18. Aetna (Fire)	149,688,242
19. Nationwide Mutual	136,567,693
20. Great American	135,106,234
21. Farmers	123,475,162
22. St. Paul F.&M.	123,250,048
23. Trans-America	120,103,467
24. Employers Liability	117,667,707
25. General of Seattle	111,159,741
26. Crum & Forster	108,780,503
27. Employers Mutuals, Wis.	103,971,776
28. New Amsterdam Casualty	85,483,551
29. General Accident	84,973,431
30. Hardware Mutuals, Wis.	84,121,957
31. Phoenix-Connecticut	81,059,023
32. American Mutual	79,609,852
33. National of Hartford	79,016,906
34. Zurich-American	73,634,230
35. Chubb & Son	68,401,228
36. Standard Accident	65,096,526
37. Swiss Reinsurance	63,687,629
38. Coml. Union-Ocean	61,160,444
39. Fire Association	55,918,989
40. Springfield F.&M.	54,672,330
41. Boston	50,961,969
42. Phoenix of London	50,825,790
43. Ohio Casualty	50,581,539
44. North British	48,916,313

(CONTINUED ON PAGE 25)

Ky. Orders End to Deviations Sept. 30 for Fire, Etc.

**Wants Discounts Earned, not
Paid in Advance, Concerned
Over Continued Bad Results**

Commissioner Thurman of Kentucky has issued an order terminating all rate deviations effective Sept. 30, and indicating that such deviations should be effected on an earned rather than an anticipatory discount basis. The order is directed to all stock and mutual insurers with deviations on fire and allied lines, inland marine and multiple line policies.

In the order the commissioner expresses grave concern over the underwriting results of the majority of companies writing these lines in 1956, and over the present indications that underwriting losses for 1957 may exceed those of 1956.

"It appears more realistic that savings effected by individual companies should be returned to the policyholder, if desired by said company, on a participating or dividend basis after such savings have been established, rather than on a discounted rate based on anticipated savings which may never materialize," the order reads.

"It is the duty and obligation of this department to so regulate the business of insurance that the companies writing same offer those services to the public at rates which are neither excessive, inadequate or unfairly discriminatory," Mr. Thurman adds.

So that no discrimination or unfair treatment will militate against any company, and to give all companies time to change their underwriting and accounting procedures, the date of the expiration of existing deviations is made Sept. 30. Where deviations heretofore approved have expired before April 15 or will expire prior to Sept. 30, they will be extended to Sept. 30.

Such action, the order reads, does not preclude or prejudice the right of any company to apply for deviations and/or hearings permitted by KRS 304.606 and 304.614. Other sections of the law cited in the order are 304.018, 304.022, 304.023, 304.600, 304.601, 304.602, and 304.616.

Fire Losses Rise 17.1% for March, 16.7% for Year

Fire losses in the U.S. during March climbed to \$104,565,000, 17.1% higher than in March, 1956, according to National Board. The total represents a 9.4% rise over February losses.

Losses for the first three months of 1957 now total \$315,406,000, an increase of 16.7% over the first three months of last year.

Losses during January of this year totaled \$115,272,000, at least \$20 million more than the total for each month in 1956.

Late News Bulletins ...

R. I. Study Opposes Compulsory Auto

A Rhode Island legislative study commission has issued a report in opposition to compulsory auto insurance and recommending doubling present financial responsibility limits to 10/20/5.

The commission study concluded that compulsory could result in more accidents, higher insurance rates, fraudulent claims and other abuses.

Conn. Tax Relief Overrides Ribicoff Veto

HARTFORD—The Republican-controlled legislature overrode Gov Ribicoff's veto of the bills that gradually reduce and eventually eliminate the interest, dividend and annuity-consideration taxes that discriminate against Connecticut-domiciled insurers.

The present tax is 2½% for all types of companies, but life companies get an 81% credit on their earnings. On 1957 business the new law will make the tax 2%, on 1958 business 1½% and then reduce by ¼ of 1% a year till it goes off entirely. On annuity considerations the tax has been 1%. It will reduce by ¼ of 1% until it is eliminated entirely.

National Union to Open Western Unit Under John McFarland

John G. McFarland, whose resignation as vice-president in the western



John G. McFarland

department of American was announced last week, has joined National Union group to head a new western department operation as vice-president and manager. He will be in charge of Kansas, Nebraska, North and South Dakota, Minnesota, Iowa, Illinois and Wisconsin. His new duties begin May 1.

Norman M. France continues as manager of the Cook county department for National Union group.

The companies are negotiating for larger office space in the Insurance Exchange building, Chicago, where National Union presently has its Cook county offices.

Mr. McFarland entered insurance with Kansas Inspection Bureau and joined American as a special agent in Kansas in 1930. Later he was state agent there and in Minnesota, and then was superintendent of agencies at Rockford. He was made assistant manager in the western department in 1944 and was elevated to vice-president in 1955.

Hicks to Head PR, "Ad" Unit at Home; Bulau Takes Leave

Malcolm B. Hicks, secretary of Home, is assuming management of the company's advertising and public relations department, previously under the supervision of Assistant Secretary Alwin E. Bulau, who is taking a year's leave of absence.

Mr. Hicks joined Home in 1929 as advertising manager and is now in the executive department of the company. He will continue some of his present duties in addition to his new responsibilities.

\$14 Million Spent on Insurance Ads in Newspapers in 1956

Insurance companies, agents and associations spent \$14,186,000 in national newspaper advertising in 1956, according to figures released by the Bureau of Advertising of American Newspaper Publishers Assn. and compiled by Media Records Inc.

This is a record high, 6.2% above the \$13,359,000 spent in 1955.

Union Auto To Quit

Union Automobile Corp. of St. Louis is going out of business and has so informed Superintendent Leggett by letter. This is not an insurance company and is not licensed to do an insurance business, but a number of the members purchasing club services were under the impression that they had also bought insurance.

National "Ad" Plan Heads NAIA Agenda for Denver Meeting

The lead topic of the midyear meeting of the state national directors of National Assn. of Insurance Agents in Denver next week is the proposed national advertising program developed by the NAIA advertising committee and the Doremus & Co. advertising agency of New York City. The meeting will hear a report on the program by Alan H. Miller of Hackensack, N. J., advertising committee chairman.

Other subjects on the agenda include discussion by George S. Hanson, executive secretary and general counsel of NAIA, of local board taxation as exemplified in the Harlingen (Tex.) association case, by Arthur L. Schwab of Staten Island of deviation filings based on lower commissions, and by Robert G. Dowling of Hyannis, Mass., of the extension of Factory Insurance Assn. facilities, Archie M. Slawsby of Nashua, N. H., will discuss federal flood indemnity, and Morton V. V. White of Allentown, Pa., group insurance. Robert E. Battles, NAIA president, will give the administration report, and Maurice G. Herndon will report on Washington, D. C., activities.

Also on the agenda are committee reports, finance by Charles S. McNew Jr. of Pine Bluff, Ark., special automobile by Joseph A. Neumann of Jamaica, N. Y., casualty insurance by Howard N. Fullington of Wichita, property insurance by George A. Timm of Kenosha, Wis., educational by J. Norvell Trice of Richmond, local board and membership by Kenneth H. Bair Jr. of Albuquerque, resolutions by C. Gilbert Waldo of Detroit, and minutes of executive committee by David J. Brewer of Greenville, Miss.

Reports will be received from territorial conference chairmen; John J. Maguire of Philadelphia for the eastern, Harry W. Poulson of Boise for far west, Howard J. Gescheidler Jr. of Indianapolis for midwest, James M. Kellett of Denver for rocky mountain, and Frank R. Bell Jr. of Charleston, S. C., for southern.

Mr. Slawsby will present a report on the meeting of National Assn. of Insurance Commissioners at Miami Beach last December.

N. Cal. Buyers Hold Seminar

Northern California chapter of American Society of Insurance Management discussed advantages and disadvantages of a written corporate policy on insurance and reviewed reports to management on an insurance program at a seminar meeting.

Thomas J. Doyle Jr. has been appointed to the adjusting staff at San Jose, Cal., of General Adjustment Bureau.

N. Y. Life Insurers Now Can Own Bank, Insurance Stocks

ALBANY—Gov. Harriman has signed into law the Hatch bill which gives domestic life insurers the right to own common stocks of banks and other insurance companies, up to 5% of assets, investments which were previously barred to them altogether.

The amended law also raises the percentage of assets that can be invested by domestic companies in common stocks or in income real estate from 3% to 5%. However, there is still in the law a limit of 2% of the amount of stock of any one corporation that a life insurer is allowed to own. This would keep any domestic life company from controlling a fire or casualty company. Some of the newspaper stories were not clear on this point.

The Mitchell bill, permitting out-of-state life companies to own control of a fire or casualty company if the life insurer's assets were sufficient, without the fire-casualty shares, to meet its obligations, is still awaiting the governor's action.

The Hatch bill made a small increase in the amount that a company is permitted to invest in any individual piece of real estate.

Vorys Tells Insurers to Quit Using Agreed Amount Memos

COLUMBUS—Reported use of "agreed amount" memoranda by some insurance companies has caused Superintendent Vorys of Ohio to issue a general bulletin calling for a halt in this practice. According to Mr. Vorys, certain companies are issuing memoranda to insured which provide that a specified replacement cost will be used in determining compliance with the coinsurance clause. These usually apply for a year.

The bulletin, which originated in the rating section of the Ohio department, states that this practice violates the provisions of the coinsurance clause filed by Ohio Inspection Bureau and "impairs the legal obligation of the insured to maintain insurance to value." Members and subscribers of the inspection bureau are instructed to cease this practice. The bulletin does not indicate whether any companies have filed deviations or independent forms for this purpose.

Plan Ohio Young Agents Conference May 15-16

The annual Young Agents conference of Ohio Assn. of Insurance Agents will be held in Granville May 15-16. Speakers include Superintendent Vorys; Frank R. Middaugh of Ohio Inspection Bureau; Ralph Thomen of the Ohio department, and Douglas Avery, Ohio department of education.

Insurance and Reinsurance

for experienced attention

USE A *Stewart-Smith* OFFICE

CHICAGO, Illinois..... Board of Trade Bldg.
NEW YORK, N. Y..... 116 John Street
PHILADELPHIA, Pa..... Public Ledger Bldg.
BIRMINGHAM, Ala..... Frank Nelson Bldg.
MONTREAL, Que., Canada..... Sun Life Bldg.
TORONTO, Ont., Canada..... 897 Bay Street
VANCOUVER, B. C., Canada 629-470 Granville Street
LONDON E.C. 3, England..... 1 Seething Lane



For Brokers • Agents • Companies
always at your service
AROUND THE CLOCK



Inspect OUR

brochure outlining complete, nationwide Personal and Business ACCIDENT AND HEALTH facilities. Agents call it "best in the business".

Write Dept. K-1, Reading, Pa.

AMERICAN CASUALTY

COAST-TO-COAST BRANCH OFFICE SERVICE

High Court Upholds Holz's Revocation of Dorfman License

The U. S. Supreme Court has denied certiorari in the case of Union insurance agency of Chicago operated by Allen M. Dorfman and owned by him and his mother, against Superintendent Leffert Holz of New York. Mr. Holz revoked the licenses of the agency for violating New York insurance law and demonstrating incompetence and untrustworthiness to act as an agent. The agency's big accounts were union welfare insurance for Central States' Drivers Council and Michigan Conference of Teamsters.

Dorfman took the case to the state courts, where the insurance department was upheld, and then sought review by the U. S. Supreme Court. In the state courts, where Mr. Holz was represented by Attorney General Javits, Solicitor General Moore and Assistant Attorney General Hirshowitz, the department set out the following facts:

An examination of Union Casualty, for which Dorfman was general agent, revealed \$26,343 of improper payments by the insurer to Dorfman. The expenses were not supported by bills or vouchers. Though company and agent knew vouchers and bills would have to be submitted, the company did not require them until a department examiner asked it to instruct Dorfman to supply them.

The material Dorfman submitted indicated the \$26,000 was spent on personal expenses, including a wedding trip to Jamaica and Miami, personal hotel bills in Chicago, entertainment, etc. He contended the expenditures were for development of business contacts.

The department asked for a special examination of Union Casualty. Examiners were alerted to Dorfman's appearance before a Congressional committee conducting an investigation into racketeering in union welfare funds, where he refused to testify as to the insurance transactions of his agency on grounds his answers might tend to incriminate him.

The examiners then went to the agency in Chicago and asked to examine its books and records. After some hedging, Dorfman declined to permit examination. The state contended

(CONTINUED ON PAGE 24)

MANAGER GENERAL AGENCY \$15,000.

A large general agency with a sizable bond business has an opening for a man to manage its operations. Bond background essential. Salary and bonus can be worked out. Send us qualifications.

All correspondence confidential.

FERGASON PERSONNEL

330 S. Wells Street Chicago 6, Ill.
HARRISON 7-9040
We Broker Insurance Agencies.

Plan Chicago I-Day Program for May 15

More than 1,000 insurance men from the Chicago area will attend the Chicago Board's annual Insurance Day May 15 at the Sherman hotel.

Alex Dreier, news commentator and foreign correspondent, will present the principal address, "Where Do We Go From Here?", an analysis of world and domestic affairs, at the luncheon.

An exhibit of models of future Chicago developments will also be featured.

Carl J. Reutter, vice-president of W. A. Alexander & Co., Chicago general agency and Donald M. Wood Jr., Childs & Wood, are in charge of the display. Members of the Chicago Board will exhibit their advertising materials.

The first event of the formal program will be a panel discussion on the "Independent Producer—What is his Future?" with John L. Clarkson, Bartholomay & Clarkson, as moderator. Panelists will be: Richard J. Thain,

professor of marketing and advertising at Roosevelt university; James B. Murphy, Edward H. Walters & Co., and W. F. Kuffel, Kuffel, Eggert & Co. Donald M. Wood Sr., Childs & Wood will discuss present problems facing the insurance industry.

Following luncheon, a second panel will review automobile insurance problems. Frank Miley, W. A. Alexander & Co. will serve as moderator and panelists will be: R. Newell Lusby, vice-president of America Fore; E. N. Lidgen, Aetna Casualty, and T. E. Murrin, National Bureau.

"**SAFECO**
Brings in
the business
...and holds
it here!"

—says Henry A. Workman,
Secretary-Treasurer Workman's
Agency, Inc., Excelsior, Minnesota



**GET THE
FACTS
NOW!**

SAFECO INSURANCE COMPANY OF AMERICA

General Insurance Building,
Room 322, Seattle 5, Washington

I am interested in getting the facts on SAFECO.

Agency Name

Street

City Zone State

Signature

"Sure, we were skeptical, at first — taking on Safeco and voluntarily reducing our commission structure. But with direct billing by the Company... direct payment and elimination of office detail... we've reduced our accounts receivable on "slows" and cut our office work to a minimum.

"Safeco's competitive rate structure has brought many new accounts into our office and has retained many which we would undoubtedly be losing to the direct writers.

"And it's amazing how many people walk in and ask about Safeco — simply because our Safeco assureds become Safeco salesmen.

"We feel mighty good, picking up a really substantial commission check every month!"



Save Your Auto Business with

SAFECO

The modern auto insurance for safe drivers

HOME OFFICE: SEATTLE, WASH.

Dekker Appointed Executive V-P of America Fore Group

Nicholas Dekker has been appointed executive vice-president of America



Nicholas Dekker

Fore group. He has been vice-president and manager of the Pacific department at San Francisco. Mr. Dekker spent his entire business career with America Fore. He celebrated his 40th anniversary with the group last October.

He joined Continental in 1916 as a district boy at Chicago. After holding various office positions he transferred to Minnesota as a special agent in 1921. In 1926 he

went to Kansas as state agent and in 1928 assumed joint supervision of all America Fore fire companies in western Kansas. In 1933 he returned to Minnesota as state agent for the eastern section of the territory.

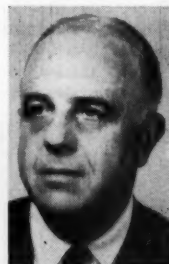
In 1948 he returned to the western department in Chicago as executive assistant and in 1949 became an assistant secretary of the fire companies.

In 1951 he was appointed secretary of the fire companies and transferred to the home office. He was appointed a vice-president of the group's fire companies in 1954 and assumed duties at San Francisco. In 1955 he was also appointed a vice-president of Fidelity & Casualty, casualty member of the group. Mr. Dekker assumed charge of the Pacific department in January, 1956.

Mr. Dekker is vice-president of Pacific Fire Rating Bureau and a member of the governing committee. He was elected president of Idaho Surveying & Rating Bureau last September. He is a past MLG of Minnesota and of Blue Goose.

Brown Named to New Executive V-P Post by American Surety

Randolph E. Brown, vice-president in charge of agencies and production



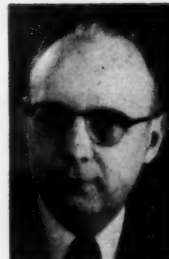
Randolph E. Brown



John C. Barrows



A. R. Fredericks



Kenneth J. Heindel

of American Surety, has been elected to the newly-created position of executive vice-president. John C. Barrows, comptroller, and Alanson R. Fredericks, general counsel, have been elected vice-presidents, as has Kenneth J. Heindel, manager of fire.

Mr. Brown joined American Surety in 1935, after spending a decade as a local agent. After serving as manager in Milwaukee, Dallas, Scranton, New York and Brooklyn, district supervisor, and superintendent of agencies, he was elected vice-president in 1955.

With American Surety since 1932,

Mr. Barrows was named deputy comptroller in 1942 and comptroller in 1944. Mr. Fredericks joined the company in 1936, was appointed assistant general counsel in 1952 and general counsel in 1955.

Mr. Heindel went to American Surety last year as fire manager when the company entered fire underwriting.

Mutuals Raise Five States Auto Rates

Mutual Insurance Rating Bureau has revised private passenger liability rates, effective April 24, in Arizona, Colorado, Nevada, New Mexico and Utah. The effect is to increase rates 10% in Arizona, 9% in Colorado, 8% in Utah and 15% in Nevada and New Mexico.

In Arizona, rates for class 1a are increased \$4 for all territories. Class 3 is increased \$1 in Phoenix and Tucson and \$6 in other areas. Class 2c has been increased \$34 in Phoenix and Tucson and \$36 in the rest of the state. Class 2a gets an increase of \$12 in Phoenix and Tucson and \$9 applies in the remainder of the state.

In Colorado 1a gets a \$1 increase in Denver, \$2 to \$3 in other state areas. Class 3 is reduced \$1 in Denver, increased \$2 to \$4 elsewhere. Class 2c is increased \$17 in Denver, \$19 in the remainder of the state. Class 2a increased \$5 in Denver and \$6 in the rest of the state.

Nevada increases are \$5 for 1a, \$7 for 3, \$43 for 2c and \$10 for 2a.

In New Mexico increases in Albuquerque are \$3 for 1a, \$2 for 3, \$28 for 2c and \$10 for 2a. In the remainder of the state, these increases are, respectively, \$4, \$6, \$31, and \$9.

In Utah increases in Salt Lake City are \$1 for 1a, \$21 for 2c, and \$4 for 2a, but a decrease of \$3 for 3. Outside Salt Lake City 1a increases \$3 to \$5, 2c \$25 to \$38 and \$8 to \$12. Class 3 remains the same in Ogden but increases \$8 in the rest of the state.

It isn't all muscle!

The consistent record of progress of The Kansas City reflects many things, such as sound management, progressive attitude, good service. But of paramount importance is the fact that more and more agents recognize the value of representing The Kansas City. Why don't you progress with us?

TO BUILD MORE BUSINESS... KEEP MORE BUSINESS...
REPRESENT THE KANSAS CITY—
A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS.

Kansas City Fire and Marine
Insurance Company
301 West 11th Street • Kansas City, Mo.

A natural PROFIT BUILDER...

OFFICE CONTENTS SPECIAL FORM

Most of your prospects who are not eligible for the Commercial Property Form are "Naturals" for this new policy. And you, Mr. Agent, should be your first customer for this new, all risks contract.

Armed with the proof of your own convictions, you'll find selling the Office Contents Special Form is as easy as "shooting fish in a barrel."

For full details about the advantages of this modern block form, Write to:

MULTI-PERIL DEPARTMENT

SCOTTISH-AMERICAN GROUP

SCOTTISH UNION and NATIONAL INSURANCE COMPANY
AMERICAN UNION INSURANCE COMPANY of NEW YORK
HARTFORD, CONNECTICUT

Osorio and Texas Governor Feud Over Board Reorganization

AUSTIN—The spotlight on the incredible Texas insurance situation, which for some 10 weeks has centered on the collapse of ICT of Dallas and a variety of disclosures dealing with its career, last week involved the business in a hot political fight between two new state officials—Gov. Price Daniel and John Osorio, chairman of the board of insurance commissioners.

Their conflict technically has to do with pending legislation to reorganize the board, but statements of the two principals show a far-reaching clash of personalities as well as programs. The fight became public knowledge with release of Mr. Osorio's reply to 16 questions posed by Rep. Jerry Sadler on recent developments.

Mr. Osorio, in his answers, leveled several charges against the governor, who promptly denied the allegations. The exchange led to a suggestion that both officials take a lie detector test, with Mr. Osorio saying he was ready to do so.

Mr. Osorio's main charges were: That Gov. Daniel had tried to make a deal with him to guarantee a job if the chairman would support the governor's reorganization plan; that the governor had told him that "he (Gov. Daniel) had to have control of the board;" that the governor had asked him to make a desk-drawer agreement, which said Mr. Osorio, "would have been in violation of my constitutional oath of office," and that the governor first expressed opposition to his confirmation as commissioner after the board issued a show-cause order against the ICT.

Gov. Daniel said that he had not been confronted with "such false charges and misrepresentations" in "all my 17 years of public service," and that "this attempt to impugn my motives in advocating reorganization . . . is nothing more than an effort to keep in power the past administration of this department." No state agency "needs a more complete clean-up and reorganization" than the board, added the governor.

Both of the pending reorganization bills have the same main objective—to set up an administrative officer with a policy-making board. One bill favors a full-time board and the other a part-time board.

Chairman Osorio thinks that other legislation would suffice along with the 1955 law dealing with the board. He favors penal statutes relating to information given by insurance company officers; new laws to punish those guilty of fraud in company operation, and more money to employ a large force of examiners in the department.

One of the more interesting sidelights in the demise of ICT is the story

of the purchase of \$2 million worth of bonds in the city of West Buechel, Ky., a little town about seven miles south-east of Louisville.

Henry J. Stites, Louisville attorney representing West Buechel, said the bonds were issued to finance streets, sewer and water facilities in a little area that developed rapidly as the result of General Electric establishing a tremendous plant in that area. Mr. Stites said ICT made an initial payment of \$275,000 at the time it bought the bonds and gave a note for the balance of \$1,725,000, the note calling for 5% interest to West Buechel. The first interest payment was due March 15, 1957, but Mr. Stites said no interest has been paid, and there has been no interest paid on the bonds, which call for 3%. Mr. Stites said: "We've sent notice that their interest payment is overdue, but we are not pushing it hard right now, we are allowing some time."

The West Buechel bond issue was to be paid off on the basis of a \$4.80 monthly sewer and street charge against householders in the town, to be levied only against new residences

—property owners who moved in after the bonds were authorized. This would involve principally Bashford Manor subdivision, where 13 houses have been completed so far, but none occupied. Mr. Stites said West Buechel has provided streets and other services for 102 lots, and eventually there may be 1000 houses in the subdivision. When the bonds were sold in 1954, Mr. Stites said it was believed the town had an excellent arrangement.

In testimony last month before the Texas legislative investigating committees on the ICT situation, E. A. McSpadden, former secretary-treasurer of ICT, identified some transactions in which Dunne Press, C. D. Dunne and James E. Dunne II received several payments with a journal entry indicating \$100,000 brokerage fee. Mr. McSpadden described Dunne Press as an insurance analytical organization which gave ICT a double A rating in 1955, and said the Dunnes were to get \$100,000 as a fee for arranging purchase by ICT of the \$2 million in West Buechel bonds. Mr. McSpadden described the bonds as a "poor" investment.

Swart Elected V-P of Fire Association

Samuel H. Swart has been elected a vice-president of Fire Association. He will be in charge of casualty operations in the home office.



Samuel H. Swart

Formerly a vice-president of Security-Connecticut, he entered insurance with Fidelity & Casualty, and subsequently was associated with U.S.-F&G. and Aetna Casualty. He joined Security-

Connecticut in 1941.

Ill-Wis. Golf Outing June 28

Surety Underwriters Assn. of Chicago and Surety Underwriters Assn. of Wisconsin have set their annual golf tournament for June 28 at North Shore Country Club.

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Mutual Leader Tells Lack of Choice on Uninsured Motorists

COLUMBUS—Addressing the annual convention of Ohio Assn. of Mutual Insurance Agents here, William A. Stringfellow, assistant general manager of the national association, observed that the problem of uninsured motorists has been reduced by "unfortunate circumstances" to: "Do you favor compulsory insurance or the unsatisfied judgment fund?"

"This over-simplification has confused a difficult question and in some instances has caused agents to support the unsatisfied judgment fund who would normally have been aghast at putting the state into the insurance business," Mr. Stringfellow declared. We prefer analytical and unemotional studying of all the factors concerned, and then arriving at the best solution for the state involved at the time the issue is joined, he said.

Parker Heads Coast Casualty Operations of London Group

London Assurance has appointed Russell J. Parker Pacific coast regional casualty manager. From headquarters in San Francisco he will be in charge of eleven Pacific coast states, Hawaii and Alaska for London, Manhattan F&M and Guarantee.

Mr. Parker began his insurance career with Globe Indemnity at Oakland in 1924. In 1935 he became Oakland manager, and three years later was made superintendent of Globe's Pacific department. In 1939 he was made assistant manager of the Pacific coast department. In 1944, Mr. Parker joined National Fire as assistant manager of the casualty and surety division for the Pacific coast states, and in 1950 he was appointed resident manager in charge of all casualty and surety operations of the coast territory for National.

Toplis & Harding to Open Canadian Unit

Toplis & Harding, Wagner & Glidden has opened its first office in Canada to be operated by Toplis & Harding of Canada Ltd. The official opening will be May 6 at 212 King Street West, Toronto.

T. E. Crowley is president of the Canadian corporation, and R. W. Galland is vice-president and manager at Toronto. He has been at Detroit with Toplis & Harding for 10 years. N. J. Tierney is secretary-treasurer of the Canadian operation.

Name Mayhew, Gordon to Production Posts at Western of Ft. Scott

Western of Fort Scott has appointed Thomas M. Mayhew superintendent of production and Clifford Gordon agency superintendent. Mr. Mayhew has recently been engaged in promotional and production work for the companies and had both field and underwriting assignments previously. Mr. Gordon has been underwriting supervisor for Oklahoma and Wisconsin.

Chubb & Son Plans Marine Office in South with Sadler at Head

Chubb & Son will open a Gulf coast office in New Orleans for underwriting marine business from Pensacola, Fla., to Brownsville, Tex. The office will be managed by J. Kenneth Sadler, who has spent more than 30 years as a marine underwriter in the south.

Mr. Sadler recently resigned as resident vice-president and manager of the southern department of Marine Office of America, a post he held for about 25 years. He is known to the southern marine industry not only as a leading underwriter but also for his work in the field of marine safety. As director of the marine division of the Metropolitan New Orleans Safety Council he has played a leading part in an industry-wide crusade for safe navigation on the inland waterways system.

The opening date and location of the new Chubb & Son office will be announced shortly.

General of Seattle Opens Office at Belmont, Mass.

General of Seattle is opening a service office at Belmont, Mass. Everett Ryder, who has been sales representative for three years, will be in charge of the new office. During his 16 years in insurance, Mr. Ryder has been an underwriter for General Cover Underwriters Assn. and traveled as state agent in Massachusetts.

The office in Belmont will service Massachusetts and supply policywriting facilities. Paul Woodward and Allan Weaver will travel the Massachusetts territory with headquarters at Belmont.

Tells How to Handle Fidelity Losses

Daniel Sheerin, claims manager for America Fore in St. Louis, discussed the handling of fidelity losses at St. Louis Insured Members conference of Associated Industries of Missouri this week.

ANNOUNCING THAT

**OUR UNDERWRITING AND SERVICE
FACILITIES ARE NOW BEING EXTENDED
TO INCLUDE GENERAL FIRE LINES.**

BALTIMORE

New Amsterdam
Casualty Company

NEW YORK

Texas—and Elsewhere—Underinsurance Hurts Insured, Insurers and Agents

Texas Insurance Checking Office's report on the 1956 dwelling experience of the fire insurers dramatically illustrates the inequity of underinsurance. These figures clearly show that low amounts of insurance cost the insurers heavily. However, it is also apparent, though not stated, that many of these insured suffered underinsured losses, and, of course, the agents lost out on their share.

For the amounts of insurance up to \$5,000, the checking office showed Texas written premiums for 1956 of \$15,295,186, and paid losses of \$8,922,421 for a loss ratio of 58; for the bracket \$5,000 to \$10,000 premiums were \$5,974,277 and losses \$767,190 for a ratio of 13; for coverage from \$10,000 to \$15,000 premiums were \$1,562,062, losses \$177,880 and ratio 11; and from \$15,000 up, premiums were \$1,040,557, losses \$142,888 and the loss ratio 14. On dwelling contents the premiums, losses and ratios for the four brackets were: \$4,954,409 and \$2,768,593 for 56%; \$231,361 and \$41,482 for 18%; \$23,377 and \$3,483 for 15%, and \$11,430 and zero.

The combination of experience on dwelling buildings and contents was, for the four brackets: \$20,249,595, \$11,691,014, and 58; \$6,205,638, \$808,672, and 13; \$1,585,439, \$181,363, and 11; and \$1,051,987, \$142,888, and 14.

The totals for dwelling buildings were \$23,872,082, \$10,010,379 and 42, and for dwelling contents \$5,220,577, \$2,813,558 and 54.

These figures are given on an allocated premium and loss basis.

For premium and loss by policy amount, the effect of underinsurance is even more striking. On dwellings, for the four brackets, written premiums, paid losses and ratios were: \$6,467,633, \$4,929,872, and 76; \$9,983,165, \$3,088,218, and 31; \$4,241,043, \$971,064, and 23; \$3,180,241, \$1,021,225, and 32. The totals were \$23,872,082, \$10,010,379, and 42.

Premiums, losses and ratios by policy amounts for dwelling contents were: \$4,490,208, \$2,433,057, and 54; \$629,245, \$340,877, and 54; \$61,254, \$10,508, and 17; and \$39,870, \$29,116, and 73. The totals were \$5,220,577, \$2,813,558, and 54.

The aggregate of figures for both dwelling buildings and contents were: \$10,957,841, \$7,362,929, and 67; \$10,612,410, \$3,429,095, and 32; \$4,302,297, \$981,572, and 23; \$3,220,111, \$1,050,341, and 33. The totals were \$29,092,659, \$12,823,937, and 44.

Other individual underinsured losses are given herewith:

Fire. (Iowa) Building. Value \$247,115; insurance \$166,000; loss \$247,115; loss to insured \$81,115.

Fire. (Indiana) Building. Value \$8 million; insurance \$6,400,000; loss \$38,872; recoverable loss due to coinsurance \$34,442; loss to insured \$4,430.

Fire. A brick mercantile building owned by a fraternal organization sustained a fire loss of \$10,000, this being after proper deduction from the repair cost for betterment. Insurance carried and paid was \$4,000, leaving a loss to insured of \$6,000. The actual value of this building was approximately \$45,000.—Glens Falls.

Fire. (West Virginia) Dwelling. Actual cash value, \$4,233; insurance, \$1,500; loss, \$4,233; loss to insured, \$2,733.

Fire. (Massachusetts) A stock of jewelry and fixtures were valued at \$11,000, loss and damage \$11,000, with total insurance of \$6,500. Insured's out

of pocket expense was \$4,500 by reason of underinsurance.—Springfield F.&M.

Fire. (Illinois) Household contents. Value \$34,000. Insurance \$5,000. Loss \$14,367. Loss to insured \$9,367.—American Indemnity.

Fire. (Nebraska) Restaurant and cocktail bar with U&O value of \$161,498; loss \$35,171; insurance, \$60,000. Claim as reduced by 50% coinsurance was \$26,134. Loss to insured \$9,037.

A fire caused damage of \$65,295 to a brick mercantile building, the actual value after proper deduction for depreciation being \$97,500. Insurance of \$25,000 was carried and under application of the 80% coinsurance clause, collectible insurance was \$20,900. Uninsured loss sustained was \$45,395.—Glens Falls.

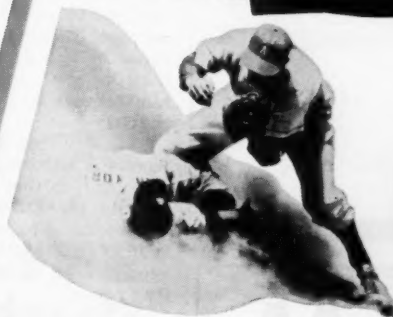
Fire. (Florida) Presently in the process of adjustment is a fire loss involving total destruction to the winter home of a retired business executive. The actual cash value of the dwelling was \$62,300 plus \$28,000 worth of improvements made to the property within six months prior to the fire. Unfortunately the insurance in force on this dwelling remained at \$50,000, the same figure as before the improvements had been made, so that while payment now totals the insurance in force, insured's out of pocket loss is \$40,300.

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Buy your insurance through an independent local agent who represents strong capital stock insurance companies like those of the America Fore Group. He can make sure that you are safe, should you suffer a loss—no question about it!

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Travelers Wins Tenn. Supreme Court Case on FCPL Exclusion

Tennessee supreme court, in *Travelers Indemnity vs Edwards*, 9 CCH (Fire & Casualty) 73, has construed the exclusion in the farmers comprehensive personal liability policy of liability for damage to property used by the insured to apply to damage to a bulldozer which the insured damaged while operating it without permission.

A contractor, clearing land on property owned by the insured, left two bulldozers in the field over night. Before any of the contractor's employees arrived the next morning, insured attempted to start one. He failed to make the proper adjustment in the cooling system and the motor became overheated, with serious damage. The contractor obtained judgment against insured for \$1,770.

Travelers, the insurer, denied coverage because of the exclusion of liability for damage to property used by the insured in the farmers' comprehensive personal liability policy. A lower court and Tennessee court of appeals held that coverage was provided in a suit on the policy.

In reversing these judgments, Judge Swepston of Tennessee supreme court devoted most of his opinion to a discussion of the expression "used" and to distinguishing this case from *Great American Indemnity vs Saltzman*, 213 Fed. (2nd.) 743, a widely publicized case involving the comprehensive personal liability policy, in which Saltzman, the insured, got into an airplane without knowledge or consent of the owner, played with the controls, and inadvertently started the plane, resulting in serious damage. The court held that Saltzman did not have "care, custody or control" of the airplane, because he had no right to enter it, and that the craft was not being "used" by him because he did not intend to start or to fly it.

The Edwards case is distinguished from the Saltzman case, Judge Swepston held, in that Edwards intended to operate the bulldozer for its normal purposes and consequently that he was "using" the bulldozer when he damaged it, even though he had no authority to do so.

Warehouse, Lumber Fires in N. J. to Cost \$425,000

Fire which raged through two warehouse: at 140 Bay street in Jersey City, N. J., caused damage and losses expected to cost insurers more than \$225,000. General Adjustment Bureau and others are handling the case.

The buildings, leased to Leo J. Cook Warehouse Corp., were insured for \$350,000 building and contents, plus \$60,000 business interruption. They contained goods—including electrical

equipment, TV sets, plastics, and paper—owned by Anderson Electric of Birmingham, Ala., and Johns-Manville Corp. of New York City.

In Palmyra, N. J., fire totally destroyed the Penn-Jersey Lumber Co., valued at \$200,000. The blaze was believed to have started when lacquer solvents exploded in a showroom.

Hartford Fire Leases New Offices in N.Y.

This fall the companies comprising Hartford Fire group will move their offices under one roof at 123 William street in New York City.

For this purpose eight floors of a 26 story airconditioned building now nearing completion have been leased on a long-term basis which will involve a minimum aggregate rental of more than \$10 million.

Nearly 1,000 staff members will move to the new offices which will consolidate quarters currently maintained at five locations in New York.

Texas Advisory Assn. Names Lee Chairman

SAN ANTONIO—T. B. Lee, assistant U. S. manager of the Commercial Union-Ocean group, was advanced to chairman of Texas Insurance Advisory Assn. at its annual meeting in San Antonio recently to succeed Gordon S. Yeargan, president of Trinity University.

Other new officers are: Vice-chairman, Ben Lee Boynton, Firemen's of man, August R. Buchel, Guf; Secre-Newark, and Treasurer, J. A. Carruth, Home. Norris W. Parker is manager.

American Buyers Group Has Canadian Chapter

Montreal Insurance Buyers Assn. has become a chapter of American Society of Insurance Management. It is the first group of corporate insurance buyers and managers outside the U. S. to do so, and is the 15th chapter of ASIM.

J. G. Harper of Northern Electric Co. is president, H. H. Cowan of Steinberg's Ltd. vice-president, and Glen Buchanan of Shawinigan Water & Power Co. secretary-treasurer.

Charter members of the chapter include North Electric, Steinberg's Shawinigan Water & Power, Aluminum Co. of Canada, Atlas Asbestos, Bell Telephone of Canada, Canadian Celanese, Rolls-Royce of Canada, Imperial Tobacco, and Du Pont of Canada.

Colo. Insurors Assn. Plans July Workshop Program

Colorado Insurors Assn. has completed the program for its fire and casualty insurance institute to be held at University of Colorado July 18-20.

Fire rating will occupy the entire program on July 18, followed by a workshop on "Selling Judicial and Miscellaneous Bonds" on July 19. "Time Element Coverages" will be the subject of the closing session July 20.

Casualty Underwriters Elect Robert Smock in Louisville

Louisville Casualty Underwriters Assn. has elected Robert Smock, Fireman's Fund group, president, to succeed Martin Robertson, Employers group. Also elected were: Fred Resener, General, 1st vice-president; Robert Edwards, Aetna Casualty, 2nd vice-president; Chester Chambers, Springfield F&M. group, secretary, and Charles Stuart, Ohio Casualty, treasurer.

Package Policies Make Dual Role for Adjusters, Paul I. Thomas Asserts

Package policies which combine both fire and casualty coverages demand use of adjusters who can handle both lines, Paul I. Thomas, fire adjustment manager for Kemper group, told greater Chicago chapter of Insurance Accounting and Statistical Assn.'s annual spring meeting.

Since the advent of multiple line underwriting several years ago, there has been an increase in claim volume and a corresponding increase in the need for additional adjusting personnel to handle them, he said. "If we accept the reactions of some, that casualty adjusters cannot settle fire losses and vice versa," Mr. Thomas declared, "policyholders may need assistance from two different claim men." Such a situation, other than being a delay and inconvenience to the policyholder, will result in increased loss settlement expenses, which, in turn, will produce higher rates.

The obvious solution is to use one adjusting staff for both lines, however explosive a reaction from fire adjusters this concept may receive. If an adjuster has the proper qualifications, he needs only proper indoctrination and guidance to function capably in adjusting either line, Mr. Thomas concluded.

Issue Fourth Edition of Property Insurance Book

Appleton-Century-Crofts, New York publishers have brought out the fourth edition of *Property Insurance* by S. S. Huebner, emeritus professor of insurance, University of Pennsylvania, and Kenneth Black Jr., professor of insurance, Georgia state college of business administration. The price is \$5.65.

A standard text on the subject, this new edition is a thorough revision of the first, published in 1938, and takes into consideration the tremendous

changes that have been brought about in the field since that time, including the impact of the multiple line trend. Due to growth, inland marine cover is presented in detail in four chapters, and a new chapter on aviation cover has been added.

The emphasis of the text is on basic concepts and principles of insurance. The presentation is simple and non-technical.

N. Y. Society School of Insurance Awards

The New York Insurance Society will award prizes to 14 fall graduates of its school of insurance at closing exercises June 18. The awards and winners are:

Casualty & Surety Accountants Assn. of New York prize in accounting principles, William Freebody of Appleton & Cox; Arthur L. Lafrentz prize in fidelity, Ralph C. Lewis of North American Casualty & Surety Re; Surety Assn. of America book prizes in fidelity, Mr. Lewis, Vincent J. Borelli of America Fore and Kenneth H. Dielman of American; A. Duncan Reid memorial prizes in casualty contracts, Guy O. Walser of America Fore and Malcolm R. Johnson of General Fire; Julian Lucas memorial prize in fire contracts, Walter D. Kasner of Aetna Fire.

Also, New York Ex-Fieldmen's Society prize in building construction, occupancy and fire protection study, George P. Gates, Fire Insurance Rating Organization of New Jersey; Blue Goose prize in fire underwriting methods, Thomas J. Jankovic Jr., Norwich Union; New York City Insurance Agents Assn. prize in the general insurance seminar, John J. Brundage, America Fore; New York Mariners Club prize in inland marine contracts, Reinhold I. Martin, Pacific Fire, and Atlantic companies' prizes in ocean marine cargo, Arthur O. Birkernstock, Marine Office of America, Miss E. Muriel Richardson, Atlantic companies, and Peter J. Fogarty, Boston.

1956 Fire Association Operations Reviewed at Stockholders Meet

Reviewing operations of Fire Association during 1956 at the annual stockholders meeting at the home office, President Kenneth B. Hatch commented that the difficulties encountered in underwriting property and casualty business in 1956 has continued in the early part of 1957. Specifically, on the fire lines, inflation in building

costs has resulted in inadequate insurance to value and has thus further contributed to the high loss ratio, he said. With respect to automobile lines, wrap-around windshields, high fin fenders, and excessive ornamental trim all contribute to increasing the costs of repairing damaged vehicles.

Mr. Hatch said the payment of today's losses with yesterday's dollar points up the necessity for regulatory authorities to take cognizance of the continuing inflation which has occurred in recent years.

SOUTHWESTERN Fire and Casualty reports another year of

Progress!

- increase in policyholders' surplus to \$2,367,226
- cash dividends of \$50,000
- total assets of \$4,669,626

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8 years of stability

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FACTS OF LIFE for busy producers

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Remember, replacement costs have increased greatly in the past years—and the only way many clients could stay in business after a severe loss is by having up-to-date coverage, realistic limits. See for yourself . . . get the facts of life about this most important coverage from A. F. Shaw & Co.

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Larger Quebec Branch Opened by Travelers

Travelers has opened an enlarged and remodeled branch in Quebec, at 350 Charest boulevard east.

J. D. R. MacDonald is office manager, J. Harry Renaud manager of casualty, fire and marine, Oscar H. Gaudet claim manager, Roger A. Roy casualty, fire and marine supervisor, Roland Brousseau district adjuster, and John L. Bajada supervisor of engineering and loss control.

Chapman Tells Adjusters of Claim Fraud Defense

Robert C. Chapman, Assn. of Casualty & Surety Companies and a former FBI agent, discussed fraudulent claims and listed ways in which to fight them at Casualty Adjusters Assn. of Chicago's April meeting last week.

Asserting that the competing estimate method of determining auto PHD repair cost is "phony as a \$3 bill," Mr. Chapman strongly urged the use of Auto Damage Appraisers, endorsing that service as the only way in which a fair estimate may be obtained.

Every claimant who is interviewed in personal injury cases must be asked about any previous claim record, he emphasized, stating that some companies accept the claimant's volunteered statements without question and wind up paying amounts far in excess of those which are necessary. Four questions which should be asked of every claimant are:

1. Have you ever been injured in an accident before?
2. Have you ever been injured in an

accident before?

3. Have you ever suffered any injury to this arm (leg, etc.) before?

4. Have you ever received any money for a personal injury before?

The first two questions are exactly the same, Mr. Chapman admitted, but they should be asked repeatedly of claimants to establish any past accident experience. He also recommended that every claim department should have as standard equipment a good camera with flash attachment loaded with color film, and by hook or crook should manage to get several pictures of every claimant interviewed.

Reviewing the general increase in fraudulent claims throughout the country, Mr. Chapman called for exposure of crooked adjusters, attorneys, physicians, garage proprietors, repairmen or appraisers, by reporting them either to the insurer involved or to the Assn. of Casualty & Surety Companies.

what's in this COMBINED PACKAGE PLAN for YOU?



over \$142,000.00 in 10 years of fascinating selling!

Yes, there's a good-sized fortune wrapped up in this package, *plus* all the merchandising materials and assistance necessary to help you get it.

Let's open it up and see what's in it for qualified agents. Based on our minimum production figures, there's a potential of over \$142,000.00 in commissions on sales and renewals over a 10 year period. Under Combined's vested renewal program this could mean a retirement income for you of about \$12,000.00 a year. How's that for 10 years of fascinating specialized selling?

With the personalized sales training you will receive using our proven merchandising formula, *you can't miss* with Combined's Chiropractic Health Plan.

DID YOU KNOW? That in 1956, among the Combined Group of Companies, Combined Insurance Company of America, alone, paid its policyholders over \$4,557,000.00 in claims. Since the company was organized, Combined has paid over \$49,000,000.00 in claims. The efficiency of Combined's Claim Dept. provides representatives with valuable assistance in obtaining renewals, conversions and increased sales.

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N. Y. Federation Plans Drive for Membership

Insurance Federation of New York has named George F. Avery, New York vice-president of U.S.F.&G., head of its program to increase membership. John C. Weghorn, New York City agent, is chairman of the federation's executive committee. The two will name local chairmen over the state to make the program effective.

The program is aimed at meeting the need for greater cooperation, coordination and integration of effort between sections of the business.

Company men who are serving as local chairmen include Ashby E. Bladen of Aetna Fire group, Kenneth W. O'Leary of North British and M. F. Wallace of Commercial Union-Ocean. Local agents who have been named local chairmen are Herbert S. Brewer of Lockport, Robert B. Douglass of Potsdam, Craig Thorn Jr. of Hudson, C. Fred Ritter of Middletown, Arthur F. Blum of Rockaway Park, Harry K. Lown of Batavia, Louis Spicci of Haverstraw, R. A. Thompson of Valley Stream, Melvin A. Holmes and Alfred I. Jaffe of New York, and George A. Kramer Jr. of Williston Park.

South Dakota Agents Hold Meetings in Five Cities

South Dakota Assn. of Insurance Agents held local meetings in five cities April 22-26. Subjects for discussion were: Family auto policy, family protection coverage, uninsured motorist coverage, financial responsibility laws, commercial property form, and farm policies.

Meetings were held as follows: April 22, Chamberlain; April 23, Mobridge; April 24, Aberdeen; April 25, Watertown, and April 26, Sioux Falls.

Two Ohio Mutuals Merge, Elect Caldwell President

Richland Mutual of Mansfield, O., and Knox County Mutual of Mount Vernon, O., have merged under the name of Richland-Knox Mutual. Officers of the new company are: H. S. Caldwell president; Charles W. Fuchs and Dean P. McCann vice-presidents, and E. Ray Jenkins secretary-treasurer and general manager.

Discusses Fidelity Claim Problems

Casualty Insurance Adjusters Assn. of Southern California heard Kenneth Lewis, Los Angeles attorney, discuss fidelity claims problems at its April meeting.

Atlanta Assn. of Insurance Agents heard C. E. Johnson, Atlanta executive special agent of New York Underwriters, at the April meeting. He presented a series of anecdotes titled "History of Insurance."

Answers Questions of Stock Analysts, Sees Poor '57, Good '58

Ray B. Duboc, president of Western Group of Kansas, following his talk before New York Society of Security Analysts, answered several questions. Mr. Duboc was accompanied by C. C. Otto, president, and E. H. Morrison, vice-president of the company, and his party included Ernest Brandli of North American Re and his son, Dr. Charles A. Duboc of Eastman Kodak Co.

J. W. Middendorf III of Wood, Struthers & Co., asked Mr. Duboc what Western has done about reducing claims and adjustment expense. Mr. Duboc replied that wherever the company has a concentration of business, 17 centers, it opens its own claims office. In the next year, in every case, the company has been able to reduce its claim expense.

What is the experience in the first quarter and the prospects for the remainder of the year? Mr. Duboc said that the first quarter experience was worse than the first quarter of 1956. However, there are auto rate increases in 20 states, which will produce for Western a net increase of about 10% of premiums. The first six months will be worse than a year ago, the third and fourth quarters better, he said. However, auto probably will not be profitable for the year, but he expects it to be so for 1958.

What about the competition of direct writers? He said that they advertise agency service but it is not the kind offered by the agency system. The well trained, well informed, multiple line agent earns his commission, he said. He can pretty well meet his direct writing competition.

Selection is becoming of paramount importance, he observed. When every company is being selective, more and more poor business is turned loose. More underwriting selection is needed by the local agent who knows the good and bad auto risks in his locality.

Mr. Duboc does not believe electronic machinery can select as well as the well trained local agent.

Again it is a question of training and understanding. He cited a bad accident which an attorney concluded had to be paid to the limit of the \$50,000 poli-

cy. But when the Western's claim man got on the job, the case was settled for \$30,000.

He said he was not afraid of being able to meet competition. Also, many of the effects of competition have been beneficial. For example, the traditional extension of abnormal credit and substantial waste of free insurance which caught a lot of losses is slowly being eliminated by the agency companies. This is a waste that the direct writers don't have.

He was asked why insurers spend so

much money for reinsurance. Western, he replied, spends about 10%, which it regards as a very good buy. When it was smaller, it spent a larger percentage for reinsurance. As a company grows it increases its retention.

How badly was Western hit by the spring storms? It was not involved in Dallas, Mr. Otto said, and its largest single loss, net, was \$32,000.

Western has a holding company which owns controlling interest in the insurers. Mr. Duboc, asked when the organization's capital structure was going to be simplified, replied when, in

not more than three years, it pays out dividend arrearages, left over from the depression, on two classes of preferred stock in the holding company.

House Querying Cabbies

WASHINGTON—Details relating to taxicab insurance here are among the information being sought by a House District of Columbia subcommittee. The subcommittee has mailed 12,000 questionnaires to cab companies, drivers, and others. It wants information on amounts of cover, extent of cover, terms, insurers, accidents and claims.



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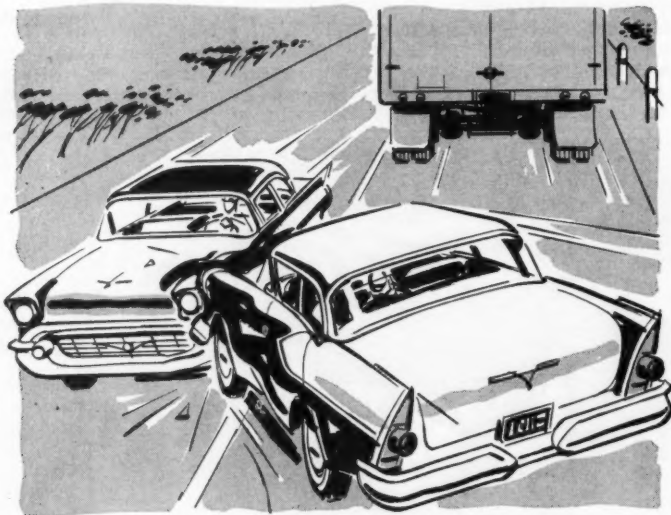
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40,000 PERSONS WERE KILLED in traffic accidents during 1956! There were close to 1½ million non-fatal traffic injuries on our streets and highways. The cost of these accidents was a full \$4½ billion.

The National Safety Council has again taken the lead in an all-out drive to reduce the accident toll; to strengthen traffic safety programs at the community, state and

national levels. This drive, now under way, is the "Back the Attack on Traffic Accidents" Campaign.

Its goal is the safe operation of safe vehicles by responsible and competent drivers on streets and highways engineered for safety! You can help "Back the Attack" through your local safety organization, and wherever people work actively for traffic safety, deaths go DOWN!

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CONSOLIDATED FINANCIAL STATEMENT

ASSETS

Bonds	\$10,533,249
Stocks	1,694,528
Cash in Banks and Offices	1,629,191
Agents' Balances	964,711
F.H.A. Mortgages	12,036
Home Office	570,250
Accrued Interest and Miscellaneous Funds	1,047,525

Total Admitted Assets \$16,451,490

RESERVES AND SURPLUS

Claim Reserve	\$ 5,402,986
Unearned Premiums	6,459,621
Commissions	55,639
Tax Reserves	364,002
Miscellaneous Reserves	523,290
Voluntary Reserve	\$ 845,952
Capital	1,300,000
Surplus	1,500,000
Surplus to Policyholders	3,645,952

Total Liabilities \$16,451,490

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Phoenix of Hartford Pays Tribute to Omaha Agency, Representative 50 Years

Foster-Barker Co. local agency of Omaha, celebrating 50 years of representing Phoenix of Hartford, was recently honored at a dinner given by the company.

Glen L. Pickens, vice-president of Phoenix of Hartford, presented agency partner Joseph Barker Jr. with a resolution passed by the board of directors in recognition of the half-century association.

Phoenix of Hartford began writing business in Omaha in 1858. It appointed H. E. Palmer, Son & Co. to represent it in 1907. This agency later became Foster-Barker & Co.

Del. Supreme Court Says 1955 State Fire Premium Tax Hike Unconstitutional

The Delaware supreme court has held unconstitutional the action of the 1955 legislature increasing the tax on fire premiums from 2 to 3½% and imposing a 2% tax on burglary and automobile premiums, on the ground that they were not adopted by a vote of three-fourths of the legislature. The first bill would increase firemen's pension funds and the second police pension systems in the state.

The insurance commissioner was enjoined from paying out the revenue collected under the increases, and insurers are expected to act to secure a refund. The suit of the insurers was brought in the name of Aetna Casualty. About \$165,000 in premiums are involved.

Road Service Plan Asks Brokers to Be Directors

Broker association representatives in the greater New York area have been asked to become directors of Road Aid of New York, an emergency road service organization offering standard road service cover for a premium of \$1.

Edward Cirlin, president of Road Aid, said the directors will administer a new fund created to educate the public on broker service. The directors will also be responsible for launching a Road Aid driver safety campaign.

Auto Superintendents Hear Ill. Road Aid Manager

Automobile Superintendents Club of Chicago heard John Bodoki, Illinois Road Aid manager, discuss road aid organization and agents' service facilities now being set up under the plan at its April meeting.

New officers of the club are R. W. Krautlein, America Fore, president; G. Urbanus, Hanover Fire, vice-president; N. L. Ruter, Aetna Fire, secretary, and R. W. Seib, North British group, treasurer.

New York Board has elected Leonard O'Neill, secretary of American National Fire, vice-chairman of the committee on fire patrol, succeeding Philip Priore of Sun Office, who retired at the end of 1956.

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COAST-TO-COAST BRANCH OFFICE SERVICE

Insurance Service Assn. Holds Spring Meeting April 24-27 in Colorado

Insurance Service Assn. is holding its spring meeting in Colorado Springs, Colo., April 24-27.

Keynote speaker for the meeting was E. B. Paris, insurance buyer for Boeing Airplane Co., who discussed "The Insurance Buyer Looks at the Insurance Broker." Other topics scheduled for the conference include new business development, safety engineering, group insurance, and the association's advertising and promotion program.

Ready for Southern Institute at U. of Miss.

The annual 5-day southern insurance institute will be held at University of Mississippi, Oxford, May 27-31. D. C. Trexler, director of the department of conferences and institutes of the university, is in charge of arrangements.

James McWilliams, assistant manager of the automobile department of National Bureau, will have a full day on auto cover the opening day. W. E. Rushin, executive special agent of Hartford Fire in Atlanta, will speak on the dwelling picture the second morning, followed in the afternoon by Robert Cooper of Merrill Kremer of Memphis, on advertising and public relations for local agents.

The A&S outlook for the local agents will be discussed by Albert Wohlers, Chicago agent. Robert B. Taylor of Oregon, president of National Assn. of Insurance Commissioners, will speak on NAIC and its service to the local agent.

H. Earl Munz, agent of Paterson, N. J., will discuss recent developments in property and inland marine. Arthur M. O'Connell of Cincinnati, will speak on the direct writer and agent system with notes on the bank agent plan and account selling.

Conferees will be housed in the university's alumni house adjacent to the Mississippi center for continuation study, where sessions will be held. Both buildings are completely air conditioned.

Buyers to Hear Berman Discuss "Comparative Negligence" at Dinner

Emile Z. Berman, well-known trial lawyer, will be the guest speaker at the semi-annual dinner meeting of American Society of Insurance Management, May 7, at the Hotel Statler in New York City.

Admitted to practice in 1925, Mr. Berman has devoted the majority of his legal activity to representing insurers and claimants in accident claims cases.

Pa. Agency Seeks Bar of Ban on Installment Sales

The story which appeared in the April 4 edition of THE NATIONAL UNDERWRITER under the headline "Pa. Insurance Brokers Ask Court to Help Break License Ruling," was incorrect. The correct facts are:

The Pittsburgh agency of Weaver, Grose, Langhart & May, has brought action in Dauphin county court asking that the Pennsylvania banking department be enjoined from enforcing its ruling that brokers must hold licenses as consumer discount companies in order to sell fire and casualty insurance on the installment plan.

The firm's argument does not pertain to the sale of insurance on the

usual installment plan basis, but refers to the financing of premiums on a monthly payment arrangement.

File For New Pa. Rates

Middle Department Assn. of Fire Underwriters has filed a fire rate increase for Pennsylvania. The revision would represent a slight decrease for most of the state except Philadelphia, where the rating bureau asked for a 20% increase, up from eight to 10 cents per \$100, on dwelling and 19 other classifications. These include boarding and rooming houses, apartments, household contents, restaurants

and bars, housing developments and certain mercantile buildings. Extended coverage is not included in the revision.

C. H. Koebel Appointed to Kemper Administrative Post

C. H. Koebel has been appointed procedures coordinator of Kemper group's fire division. He joined the group in 1923 in the service department, became head of the claim clerical department in 1932 and has been in the casualty procedures department since 1948.

W. C. Fox is Elected Assistant Secretary of Fire Association

Fire Association has elected William C. Fox an assistant secretary. Assistant manager of the southeastern department in Atlanta, he has been with the group since 1927.

Atlantic Appoints Clancy

Atlantic Mutual has appointed William F. Clancy marine supervisor at Syracuse.

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The United States Fire Insurance Company, as a member of the National Board of Fire Underwriters, is currently sponsoring a broad television and radio campaign directed to the insurance-buying public and stressing—among other things—the danger of under-insurance and the value of the independent stock company agent and broker.

Take full advantage of this intensive advertising campaign by again reviewing your clients' present coverages. Call on those who may be under-insured or need the broadened and new package policies.

Your agency customer will appreciate your good service. You will fulfill your professional obligations, gain satisfaction in knowing your clients are adequately protected, and realize additional income as a reward for your efforts.

Remember . . . the United States Fire Insurance Company will assist your personal campaign with its sales tools and the services of its fieldmen.

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NEWSWEEK—May 13
BUSINESS WEEK—May 25
U.S. NEWS & WORLD REPORT—May 24

AMERICAN HOME—June
BETTER HOMES & GARDENS—June
NATION'S BUSINESS—June

Convention Dates

May 1-3, Assn. of Casualty Accountants & Statisticians, spring meeting, Pocono Manor inn, Pocono Manor, Pa.

May 1-5, National Assn. of Public Insurance Adjusters, annual, Saxony hotel, Miami Beach.

May 2, Midwestern Independent Statistical Service, annual, La Salle hotel, Chicago.

May 2-4, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

May 2-4, North Carolina Assn. of Insurance Agents, annual, Carolina hotel, Pinehurst.

May 5-7, Alabama Assn. of Insurance Agents, annual, Battlehouse, Mobile.

May 5-7, New York State Assn. of Insurance Agents, annual, Syracuse hotel, Syracuse.

May 6-8, National Assn. of Independent Insurance Adjusters, annual, El Mirador hotel, Palm Springs, Cal.

May 6-8, Health Insurance Assn. of America, annual, Sheraton-Park hotel, Washington, D. C.

May 7, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria Hotel, New York City.

May 9, Surety Assn. of America, annual, Sheraton-Astor hotel, New York City.

May 9-10, Missouri Assn. of Mutual Insurance Agents, annual, President hotel, Kansas City, Mo.

May 10-11, Oklahoma Assn. of Insurance Agents, annual, Biltmore hotel, Oklahoma City.

May 12-13, New Jersey Assn. of Mutual Insurance Agents, annual, Berkeley Carteret hotel, Asbury Park.

May 12-14, Florida Assn. of Mutual Insurance Agents, annual, Tides hotel, Redington Beach, St. Petersburg.

May 12-14, Virginia-D. C. Assn. of Mutual Insurance Agents, annual, Cavalier hotel, Virginia Beach.

May 13-15, National Assn. of Insurance Brokers, annual, St. Louis.

May 15, Chicago I-Day, Sherman hotel.

May 16-17, Arkansas Assn. of Insurance Agents, annual, Arlington hotel, Hot Springs.

May 17-18, Texas Assn. of Insurance Agents, annual, Statler-Hilton hotel, Dallas.

May 19-21, Tennessee Assn. of Mutual Insurance Agents, annual, Gatlinburg.

May 20, Vermont Assn. of Insurance Agents, midyear, Woodstock Inn, Woodstock.

May 20-22, Georgia Assn. of Insurance Agents, annual, Bon Air hotel, Augusta.

May 20-22, Insurance Accounting & Statistical Assn., annual, Palmer House, Chicago.

May 20-24, National Fire Protection Assn., annual, Statler hotel, Los Angeles.

May 21, Society of Fire Protection Engineers, annual, Statler hotel, Los Angeles.

May 21-22, Illinois Bureau of Casualty Insurers, annual, St. Nicholas hotel, Springfield, Ill.

May 21-24, Insurance Company Education Directors' Society, annual, Split Rock (Pa.) lodge.

May 22, National Automobile Underwriters Assn., annual, Roosevelt hotel, New York City.

May 23, National Board of Fire Underwriters, annual, Commodore hotel, New York City.

May 23-24, Casualty Actuarial Society, spring meeting, French Lick-Sheraton hotel, French Lick, Ind.

May 23-25, Florida Assn. of Insurance Agents, annual, Fontainebleau hotel, Miami Beach.

May 26-29, American Assn. of Managing General Agents, annual, Fontainebleau hotel, Miami Beach.

May 26-30, Insurance Division of Special Libraries Assn., Statler hotel, Boston.

May 27-29, American Mutual Insurance Alliance, annual, Edgewater Beach hotel, Chicago.

May 27-29, Federation of Mutual Fire Insurance Companies, annual, Edgewater Beach hotel, Chicago.

May 27-29, National Assn. of Automotive Mutual Insurance Companies, annual, Edgewater Beach hotel, Chicago.

May 27-29, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach hotel, Chicago.

June 3-4, Georgia Assn. of Mutual Insurance Agents, annual, King and Prince hotel, St. Simons Island.

June 3-7, Eastern Underwriters Assn., mid-year, Shelburne hotel, Atlantic City.

June 9-11, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City, Md.

June 10-12, South-Eastern Underwriters Assn., annual, Homestead hotel, Hot Springs, Va.

June 10-14, National Assn. of Insurance Commissioners, annual, Haddon Hall, Atlantic City.

June 12-16, International Assn. of A&H Underwriters, annual, Lowery hotel, St. Paul, Minn.

June 12-15, Wisconsin Assn. of A&H Underwriters, annual, St. Paul, Minn.

June 13-15, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.

June 14, Mutual Fire Insurance Assn. of New England, annual, Parker House hotel, Boston.

June 16-18, New England Assn. of Insurance Agents, annual, Poland Spring, Me.

June 16-19, Virginia Assn. of Insurance Agents, annual, Roanoke hotel, Roanoke.



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1956 Worst Year Yet for Big Fires

North America last year suffered a devastating and record-shattering increase both in the number of big fires and in the resulting amount of dollar loss. There were 430 "large loss" fires in the U. S. and Canada in 1956 and they caused a total direct loss of \$330,156,000, according to National Fire Protection Assn. Its annual study of North American fires with individual losses of at least \$250,000 shows 1956 totals excessively larger than those of previous "worst" years.

In comparison, 430 exceeds by more than a third the 1955 high of 316 large loss fires. The direct dollar loss of last year's big fires is greater by \$50 million than the previous record loss of \$274,374,500 in 1953.

Although only a minute proportion of the total of all types of fires in 1956, the 430 large fires studied accounted for 24% of the year's total fire loss of \$1,385,000,000 in the U. S. and Canada, NFPA's preliminary estimate. The largest single classification among the eight into which the study has been divided was that of industrial large loss fires. There were 117 such fires, compared with only 78 the previous year. The industrial toll was the highest in history and, according to the NFPA, is the principal factor behind the huge over-all increase in fire losses in North America in 1956.

The report pointed up these additional comparisons and findings:

The 14 large loss church fires of last year equalled the total of such fires for the preceding three-year period.

There were 21 large loss school and college fires in 1956, only 10 in 1955. Six of the 18 big school fires were discovered while the schools were in session. All were safely evacuated.

The experience in 24 large loss residential and institutional fires—more than double any recent year's total—emphasized that there is no guarantee of prompt discovery of fire even in occupied buildings.

The need generally in these and other large occupancies, the report advised, is much more prompt fire discovery through such means as standard watchman protection, standard automatic fire alarms or standard automatic sprinkler systems.

The lack of these same measures was cited by the NFPA as the principal reason why 43 of last year's 50 large loss warehouse fires had spread out of control before being discovered.

Again, delayed detection was a major factor in 46 out of 53 large loss store fires in 1956.

The study recorded a total of 87 large loss aircraft fire accidents and two of these represented the year's largest in terms of dollar loss. Each of the latter was estimated at \$8 million. Both involved air force B-52's.

The largest structural fire of the year was the Brooklyn pier explosion and fire. The total loss was \$7,600,000.

Excluding transportation fires, 304

Expert Discusses Drive-in Theatre Coverages

Writing in *Film Daily*, motion picture trade newspaper, Jack G. Wallens of A. Yarchin & Co., Boston agency, discusses the risk peculiarities of drive-in theatres and applicable coverages.

"A great deal of progress has been made by the insurance companies and their agents and brokers in providing a competitive market for the major hazards of the exhibitor's theatre," he writes, but there is much to be done by the insurers and their representatives in combination policies, broader coverage offerings and price.

"Until the millenium arrives where one contract with complete coverage is offered," he said, "the individual exhibitor will have to secure the services of a competent broker or agent to pick and choose among the welter of policies, forms and rates. There are, however, some things that the individual exhibitor should know—certain fundamentals that can serve as a guide to his discussions with the broker in choosing his program. These include a basic knowledge of the general types of insurance available, and an understanding of his own risk and the trend of his business."

A major coverage to consider is the protection of personal property, Mr. Wallens said, and he points out that his firm has originated an all risk floater for drive-in theatres which will cover nearly all personal property against all risks of loss or damage. He writes that personal property includes projection equipment, concession equipment, food, supplies, speakers, speaker heads, furniture, tools, etc., and that the coverage includes fire, extended cover, flood, water damage, vandalism, theft, earthquake, landslide and other hazards. In fact, he said, the policy will cover almost all forms of personal property except vehicles, money, valuables and similar articles.

Among other coverages applicable and necessary, he emphasizes the importance of workmen's compensation; public liability with products coverage, and, for sure, playground areas and mechanical amusement devices included; protection of real property on a blanket basis—now available—extend-

of the large loss fires occurred in the U. S., 34 in Canada. States with the largest numbers were California with 26, Illinois and Pennsylvania 25 each, New Jersey 23, New York and Ohio 22 each, Indiana 16. The province of Ontario had 11 large loss fires and Quebec five.

Altogether, 86 of the big fires involved losses of \$1 million or more each; correspondingly, there were 61 in 1955.

As in the past, the majority of large loss fires, 320, occurred in buildings. And in 260 of the building fires, according to the NFPA study, "structural fire protection weaknesses played a significant part in the extent of damage."

ed coverage, fire and lightning, vandalism and malicious mischief, and on an optional basis, earthquake, sprinkler leakage, and water damage except flood; and automobile cover for bodily injury, property damage and physical damage, with non-ownership to protect the exhibitor for the actions of employees driving their own cars on theatre business.

Regarding playground area liability coverage, he said that the accident risk can be reduced by segregating into age groups, separating children under seven from those between seven and 12. Another drive-in trouble spot is the restaurant operation. Extra care should be taken to insure the proper preparation of food, he said.

Another insurance especially important to theatre owners is the coverage of money under the broad form package arrangement. Also pertinent to the exhibitor is business interruption cover to protect his income and salary, neon sign, and plate glass.

Mr. Wallens adds that a great many exhibitors carry some form of life or A&S, and that liberalized tax laws now make it attractive to have the theatre corporation purchase such coverages. However, he said, this field is so broad and so full of pitfalls that the exhibitor should call in an experienced life broker to handle the problem.

Plan Hunters Coverage for Livestock Shot By Mistake

To overcome farmers' objections to hunting on their lands, a Kansas City hunting club has planned to issue policies to its members guaranteeing reimbursement to farmers for livestock accidentally shot by them.

The insurance is a \$1,000 liability policy with \$25 deductible clause, which is issued to each hunter upon payment of his membership fee. In addition to the policy, the new member receives a book of 10 coupons, each good for one day's hunting, and a list of farms for which the owner's permission to hunt has been secured.

Plan organizers estimate farmer acceptance of the program at about 50% of those approached and predict its nationwide extension.

Insurance Accountants Assn. heard Frank C. Brandes, Retail Credit Co., discuss "The How and Why of Credit Reports" in San Francisco.

Up-To-Date Handbook of Arkansas Is Published

A new *Underwriters' Handbook of Arkansas* has just been published by The National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout Arkansas. Copies may be obtained from The National Underwriter Company, 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.



Benjamin F. Weaver, former assistant U.S. manager of Royal-Globe, has been appointed an assistant commissioner of Federal Flood Indemnity Administration. He is shown here being sworn into office by Commissioner Frank J. Meistrell.

No CPL Restrictions on Borrowed Boats

A subscriber writes:

The water craft exclusion in the comprehensive personal liability policy reads as follows: "(b) 2, water craft including sailboats, with inboard motors exceeding 50 horse power, and sailboats with or without auxiliary power, 26 feet or more in over-all length, owned by or rented to an insured, while away from the premises."

If an insured with a CPL should borrow (not own or rent), with the owner's consent, a sail or power boat with power or length exceeding those stated in this exclusion, would insured have liability coverage under the policy against claim or suit as operator of said boat? How about medical payments?

James C. O'Connor, executive editor of *The FC&S Bulletins*, replies:

Since the exclusion refers only to watercraft owned by or rented to insured, there is no reason why the policy would not cover liability of insured for operation of any craft, regardless of power or size, which he has borrowed.

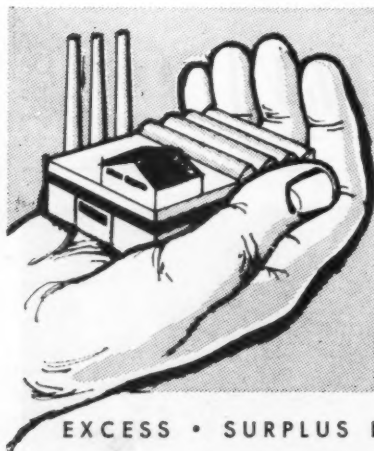
In practice, this does not seem to have been very important, since owners of larger and more powerful craft are not apt to lend them indiscriminately. Also, they are likely to be covered by liability insurance, so the CPL insurer could call upon the insurer of the boat for contribution. At least in theory, however, it is possible for a CPL insurer to be stuck with a substantial claim arising out of the operation of borrowed watercraft.

Standard provisions do not distinguish between liability and medical payments insurance on this point.

Insurance Women's Assn. of Southern Connecticut has elected Miss Barbara Hansen of the Bolton local agency in Riverside, president; Mrs. Evelyn Fineout of the Stamford local agency in Darien, vice-president; Mrs. Webster A. London of Stamford, treasurer; Mrs. Hadden G. Wood of Stamford, recording secretary, and Mrs. Victor A. Barrett of Riverside, corresponding secretary.

Mrs. Clinton F. Spiers of Old Greenwich, Mrs. Percy O. Henklein of Cos Cob, Miss Josephine Varese of Stamford, Mrs. A. W. W. Marshall of Greenwich, and Mrs. Alice Clank of Rye, N. Y., were elected directors.

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Loss Disagreement Extends Appraisal Time Limit

Where there has been a disagreement as to the amount of loss which produces a situation where a request for an appraisal is not submitted within the period specified for doing so, the execution of a non-waiver agreement extends the time within which an appraisal by arbitration might be demanded by the insured. The 8th circuit court of appeals has sustained this conclusion reached by a U. S. district court in Minnesota. The case was that of Milwaukee vs Kogen, 4 CCH (fire and casualty) 40.

Kogen, a retail furrier doing business in St. Paul, insured the contents of his store against loss and damage by fire in Milwaukee and in Industrial. There was a fire in March 1955. Kogen submitted proof of loss. The adjusters of the two insurers and an adjuster retained by Kogen inspected the loss, agreed on the damage to store fixtures, but did not reach accord as to the value of the totally destroyed stock, which Kogen asserted were new fur coats. Shortly thereafter Kogen and the insurers executed a non-waiver agreement. At the time it was signed, both parties were attempting to reach agreement on the amount of loss. Adjusters met at the store a second time, but again failed to agree.

Slightly more than 15 days after Kogen furnished the companies with sworn statements of loss, his adjuster demanded an appraisal by the insurers and designated an appraiser. Both companies declined the demand. Following the arbitration procedure outlined in his policies, Kogen then procured the appointment of an umpire. The umpire and the appraiser held a hearing to determine the amount of loss. The insurers declined to appear. The amount of loss was arrived at by an award of the appraiser and umpire.

A claim was then presented to the insurers, but they refused to pay, contending that Kogen's demand for an appraisal was made beyond the specified 15-day limit following the submission of proof of loss. They further contended the appraiser and umpire had been improperly appointed, that their award had not been made in conformity with the policies, and that it was not binding on them. They also asserted Kogen had attempted to de-

fraud them, thereby voiding his coverage.

The issue of attempted fraud was tried in district court. The jury found for Kogen. The insurers then appealed. The district court ruling, affirmed by the higher court, held that because of the non-waiver agreement Kogen's demand for an appraisal was not untimely.

Frank X. Cronan and Harold J. Carroll represented Milwaukee. Counsel for Kogen was Frank Claybourne, Doherty, Rumble & Butler.

Wason Southern Division Managing Underwriter in Security-Connecticut HO

Charles B. Wason has been appointed managing underwriter of the southern division in the home office of Security-Connecticut. He will have general supervision of all lines of underwriting and field man and agent-company relations.

Mr. Wason began his insurance career in 1935. Prior to joining Security-Connecticut he was vice-president of Associated Insurers, local agency of Raleigh, N. C.

Traffic Safety Medal of Honor Measure in Senate

WASHINGTON—At the request of Interstate Commerce Commission, Sen. Magnuson of Washington, chairman of the Senate interstate and foreign commerce committee, has introduced legislation in the Senate which will authorize the President to award medals of honor to persons endangering their own lives in endeavoring to save others in any wreck or accident involving a motor vehicle on any highway, road or street in the U. S.

Approved for passage by the committee, the measure will amend the present law which permits the award of medals of honor to railroad men.

Expand Claim Service in Kansas

Kansas Claims Service of Topeka has expanded its operations to include fire and allied lines in the lower half of the state. M. M. Douglas will manage the fire department.

William H. Hadley, assistant treasurer of Standard Oil of New Jersey, has named assistant manager of the insurance and social security department.

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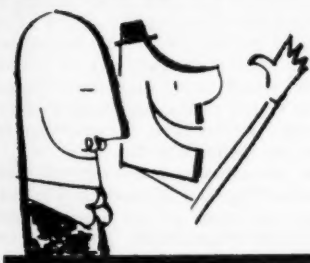
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Hartford A.&I. to Hold Conference of Engineers April 29

Hartford Accident engineering personnel throughout the country will meet in Granville, O., April 29 for a week-long district engineers' conference aimed at promoting continued improvement of the company's engineering services to commercial and industrial accounts.

The five-day session, under the direction of A. A. Hansen, assistant secretary in charge of engineering operations, will consist of talks and discussions covering subjects related to the Hartford's engineering functions, including loss control, claim and engineering coordination, accident investigation, servicing multiple-location risks, accident analysis and engineering public relations.

Approximately 40 will attend the conference from the company's field offices and the home office, including several officers—Vice-presidents John L. Barter and E. A. Cowie, Secretary C. W. Collier in charge of general liability and workmen's compensation, and Assistant Secretary Thomas M. Meredith of the burglary and plate glass department.

James Van Namee, director of engineering and research of Assn. of Casualty and Surety Companies' accident prevention department, will address the Tuesday morning session. A special guest at the conference will be N. L. Christoffel, safety superintendent of United Airlines.

The chairmen who will conduct each day's program are District Engineers William G. Meade, Chicago; K. R. Welsh, Dallas; Raymond L. Hargraves, St. Louis; George A. Saylor, Washington, D. C.; and Joseph E. Brown, superintendent of the engineering department at Chicago.

Moffatt & Co., Newark, Marks 50th Anniversary

T. C. Moffatt & Co., large Newark agency, will celebrate its 50th anniversary May 1.

The current officers of the firm are A. L. Zimmerman, president; G. F. Hockenjos, vice-president; C. Churchill Linn, secretary; and W. F. Herter, treasurer.

Mr. Zimmerman began with Loyalty group and joined Moffatt & Co. in 1923. He is a past president of Essex County Assn. of Insurance Agents and in 1952 was chairman of the executive committee of New Jersey Assn. of Insurance Agents. Mr. Hockenjos formerly was with Loyalty group's engineering and inspection department. In 1947 he joined Moffatt & Co. Mr. Linn has been associated with the agency since 1924. Mr. Herter went with Moffatt & Co. in 1920.

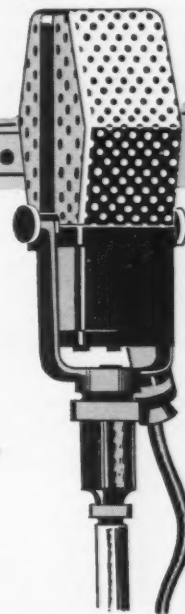
\$410,000 Already Awarded in 1953 Air Crash Suits

A jury in federal district court at New York has awarded \$182,500 to six Puerto Rican veterans of the Korean war as a result of injuries sustained in a plane crash at Standiford field, Louisville in 1953. The jury previously had awarded \$223,000 to five other veterans, and two other phases of the action are yet to come, the personal injury cases of five veterans and awards to estates of 22 veterans who were killed. Damages so far have been awarded of \$410,000.

Defendants are Resort Airlines and Slick Airways. The suits charged the defendants with negligence in allowing the plane to remain in defective condition.

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FINANCIAL STATEMENT DECEMBER 31, 1956

ASSETS

Cash in Banks		\$1,129,738.47
Bonds at Amortized Value		
U. S. Government Bonds	\$1,514,843.05	
State Bonds	283,771.81	
Municipal Bonds	601,120.91	2,399,735.77
Common Stocks		
Public Utility Stocks	\$ 38,280.00	
Industrial and Miscellaneous Stocks	70,326.00	108,606.00
Special Deposit with another insurance company		39,500.00
Net Premiums in course of collection less than 90 days		355,588.22
Reinsurance due and in transit on paid losses		557.60
Interest Accrued and Other Admitted Assets		20,012.22
TOTAL ADMITTED ASSETS		\$4,053,738.28

LIABILITIES

Reserve for claims in process of adjustment	\$1,652,495.63
Reserve for unearned premiums	660,647.90
Reserve for taxes and other Expenses Accrued	95,617.33
Reserve for Income Tax	6,717.23
Balances due other companies for reinsurance	411,741.80
Capital	\$600,000.00
Surplus	626,518.39
Surplus as regards policyholders	1,226,518.39
TOTAL	\$4,053,738.28

Bonds carried at \$613,162.12 in the above statement are deposited with various states, for the protection of policyholders, as required by law.

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Court Holds U. S. Not Entitled to Taxes from Contractor Retentions, U. S. Appeals

The government has asked for a writ of certiorari in a case involving the priority of a federal tax lien, a construction company and a surety. The action is entitled U. S. vs R. F. Ball Construction Co. and United Pacific.

In 1951 Ball contracted with the housing authority of San Antonio to construct a housing project and subsequently subcontracted a portion of the work, painting and decorating, to Marcus M. Jacobs Co. for \$230,000. Ball required of Jacobs a performance bond and Jacobs asked United Pacific to furnish it. One consideration agreed to in the application for the bond was an unconditional assignment by Jacobs to United Pacific of all percentages retained by Ball under the Jacobs subcontract as collateral security for the protection of the surety. This was not only for losses growing out of the housing job but for the payment of any other indebtedness or liability of Jacobs to the surety, "whether heretofore or hereafter incurred."

In 1952 Jacobs obtained from United Pacific a similar bond on a subcontract in Louisville. Here, also, Jacobs agreed to indemnify the surety against all loss, costs, damages, expenses and attorney's fees whatsoever. The bond was in a penalty of \$35,000.

In 1953 the San Antonio housing authority accepted the work of Ball and subsequently it was agreed between Ball and Jacobs that the sum of \$13,228 represented the retained percentages according to the terms of the subcontract. This was due and owing on the job by Ball to Jacobs as of April 30, 1953.

The Louisville job developed a liability on United Pacific of \$12,971. However, long after the assignment as collateral security of the retained percentages on the San Antonio housing contract had been made to United Pacific, and long after United Pacific had executed its obligation under its bond at Louisville, the government filed tax liens against Jacobs totaling \$17,010.

Thereafter, because of conflicting

claims presented, Ball filed suit to determine with safety to itself to whom the \$13,228 of retained percentages should be paid. That interpleader action named Jacobs, the government, United Pacific and certain material and service suppliers on the San Antonio job as defendants. Ball asked for an interpleader's fee of \$500, stipulated to be reasonable if, under the law, any interpleader's fee was payable at all.

The government answered the Ball suit by claiming the money for taxes. United Pacific filed answer claiming \$12,971 because of the loss it sustained on the Kentucky job, and S. H. Kottwitz & Co. filed claim for compensation and public liability insurance premiums of \$2,431 on the San Antonio job. The court dismissed the Kottwitz claim along with several others.

The district court opinion held that Ball was entitled to recover \$500, United Pacific was entitled to recover the remainder of the retained fund, less court costs, and the government was entitled to nothing. The appeals court upheld the decision.

The court pointed out that no stipulation was made by the parties that the tax claim arose out of Jacobs' failure to pay taxes incurred on either the San Antonio job or the one at Louisville. Consequently, the court assumed that the tax liens were ordinary tax liens, not growing out of the particular jobs in question, and the government in the case made no claims on either of the bonds.

The principal question posed to the court was what lien was prior, the government's tax lien which arose by virtue of the filing of the notice of its tax liens in May, June and September of 1953, or the contract lien of United Pacific, which arose long prior thereto by the virtue of the assignment of the retained percentages in question by Jacobs to United Pacific.

The government cited several cases as controlling, but United Pacific contended that none of the liens in those cases was contractual and none of those cases dealt with mortgagees, pledgees, or purchasers within the meaning of section 3672 of the internal revenue code, now section 6323, title 26 U. S. C.

The court ruled that there was no doubt that execution by United Pacific of the bonds constituted "a valuable present consideration" and it further could be doubted that at the time of the assignment as collateral security of the retained percentages by Jacobs to United Pacific, the bonding company acquired an interest in the retainer percentages. The court held that the bonding company comes within the classification of a pledgee, or, under Texas law, more nearly under

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the classification of a mortgagee. While the parties to the assignment of collateral security did not place a label on the transaction as either a mortgage, pledge or purchase, the appeals court reasoned that courts do not decide cases on nomenclature but look to a substance of the transaction.

The government argued that if an attachment or other judicial lien is not sufficiently "choate" or complete "to defeat a subsequent tax lien," then a mortgage to secure future indebtedness should likewise be inferior to a subsequent tax lien. The court ruled that no such qualification was placed by Congress on the contractual lien of a "mortgagee." The court then held that United Pacific under its assignment as collateral security became a "mortgagee" within the meaning of the law and was therefore not affected by the tax liens which were subsequent in time.

In applying for a writ to the supreme court, the government contends the decision of the district court is in direct conflict with Supreme Court decisions holding that the relative priority of a federal tax lien is a federal question, that classes of lienors such as mortgagee, pledgee, purchaser or judgment creditor protected by section 3672 of the internal revenue code are to be defined in the usual and conventional sense of the terms, that the federal tax lien is entitled to priority as against inchoate liens not specifically protected by section 3672—and that the doctrine of relation back cannot operate to destroy the realities of the situation.

The government argues that the bonding company is not entitled to mortgagee status because the lien

created by the assignment was unspecific and inchoate at the time the federal tax liens were perfected. It asks for summary reversal of the lower court verdict.

Kentucky All-Industry School to Start May 13

The first session of Kentucky All-Industry Insurance School will be held at Bowling Green, Ky., May 13.

Successful completion of the course of 29 hours instruction, which is sponsored by all segments of the fire and casualty business, will be rewarded by 25 points toward the passing grade of the state insurance department examination.

Charles H. Moore, local agent of Bowling Green, is committee chairman and John S. Lemmon, Blue Ridge, is dean of the school.

Continental-National Group Consolidates Detroit Offices

Continental-National group has consolidated its Detroit office, and is now located at fifth floor, Ford building. E. Ronald Green, Continental Casualty, is resident vice-president and Charles E. Warrell, National Fire, is manager of fire and allied lines.

Nangle, Roy Named V-Ps by Utilities of St. Louis

Utilities of St. Louis has elected John J. Nangle Jr. and Lucien T. Roy vice-presidents. Mr. Roy, Claxton E. Allen and Carl E. Roessler were named to the board.

Plan Buckeye Union Agents School

Buckeye Union will hold its semi-annual agents school April 29-May 2. Forty agents will attend the meetings, to be held in Columbus, O.



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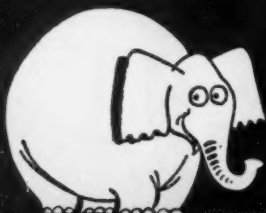
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Compulsory Gains in N. C., UJF Set Back as Business Splits

North Carolina may be closer to compulsory auto than many had realized. The house insurance committee voted 16-14 in favor of a bill which would give North Carolina a law similar to that in effect in New York. Though the bill, HB 116, must pass both houses of the legislature, Rep. Jones of Pitt, author of the compulsory bill, is confident he can get it through the house. The senate, however, is doubtful, and especially the senate insurance committee.

In the meantime supporters of the bill which would set up an unsatisfied judgment fund similar to that in New Jersey, were unable to dissuade the house insurance committee from okaying compulsory. The public hearing held by the committee on compulsory demonstrated that the insurance business is split on the merits of UJF, though Commissioner Gold, who doesn't like compulsory or UJF, said he preferred UJF.

Rep. Jones worked hard to line up support for his bill and had his forces in full attendance for the meeting at which the vote was taken. Opponents fought a delaying action, knowing some of his supporters had to hurry to other meetings. However, Mr. Jones forced a quick vote and won at least a temporary victory.

The committee was unanimous in favoring a motion to hold the UJF bill in committee until the fate of the compulsory is determined. This leaves the committee in position to send that measure to the floor if compulsory is killed along the line.

Though one public hearing on compulsory demonstrated little industry support for that plan, when the committee held its hearing on UJF, a sizeable segment of the business attacked UJF and frankly expressed preference for compulsory.

Franklin Marryott, vice-president and general counsel of Liberty Mutual, opposed UJF but thought the best approach was to strengthen the present financial responsibility law rather than have compulsory or UJF.

Speaking against UJF besides Mr.

Marryott were William E. Webb Jr., of Statesville, chairman of the legislative committee of North Carolina Assn. of Insurance Agents, Richard Juby of Raleigh, executive secretary of North Carolina Assn. of Mutual Insurance Agents, Charles B. Robison of Chicago, counsel of State Farm Mutual Auto, Wallace Smith of Washington, manager of the Washington office of American Mutual Insurance Alliance, and Hugh Murray of Raleigh, past president of North Carolina and National Assns. of Mutual Agents.

Henry Moser, senior vice-president of Allstate, Ray Murphy, general counsel of Assn. of Casualty & Surety Companies, Arthur Mertz of Chicago, general counsel of National Assn. of Independent Insurers, Mrs. Hilda Tucker, Durham agent, and Glenn H. Duffy of Raleigh, representing the advisory committee of Assn. of Casualty & Surety Companies, supported the UJF bill.

14 Agents Complete Hartford A.&I. Study

Fourteen representatives of Hartford Accident from 12 states have completed the latest course of study in casualty, surety and fidelity bonds offered at the home office training center. Sessions were held on automobile, general liability, workmen's compensation, burglary, plate glass, A&S and various forms of surety and fidelity bonds.

Agents from Connecticut, Indiana, California, Wisconsin, New York, Maryland, Arizona, Georgia, Tennessee, Oregon, Ohio and Virginia attended.

It's What the Policy Says That Counts, Not What Was Intended, Court Decides

OLYMPIA—Washington supreme court has ruled that an accident which occurred an hour before insurance was taken out was covered because the underwriter put an earlier date on the policy.

The date and time listed on the policy is what counted, the court said in a unanimous five-judge opinion, even though the parties agreed to a different time in a telephone conversation that was confirmed by letter.

The opinion, written by Judge E. W. Schwellenbach, reversed a decision of King county superior court.

A broker for Smith-Gandy (Ford) Seattle automobile dealer communicated with Northwest General Agency at 3:15 p.m., June 7, 1955, for coverage on a truck in transit from Detroit to Seattle.

The parties agreed the policy would be effective at 3:15 but the policy was made out to become effective at 12:01 a.m. The truck was involved in an accident near Minot, N. D., at 2:15 p.m. (PST) and a \$200,000 damage suit was filed against Smith-Gandy. An official of Smith-Gandy said he first learned of the accident at 7:35 p.m.

Judge Schwellenbach said the phone conversation and letter did not change the terms of the policy.

Bailey, Switzer to Talk on Nuclear Problems

D. C. Switzer, assistant supervising engineer of Hartford Electric Light Co. and William O. Bailey, secretary of Aetna Casualty, will address the Connecticut CPCU chapter April 22 in Hartford.

Mr. Switzer will discuss installation and operation of the Yankee atomic energy reactor. Mr. Bailey will discuss the insurance problems and coverages peculiar to a reactor installation.

G. B. Maggini Opens Agency in Cincinnati

George B. Maggini, secretary of Perkins & Geoghegan local agency of Cincinnati, is establishing his own agency there.

Mr. Maggini is a past president of Cincinnati Underwriters Assn. and has taught insurance courses at Xavier university and University of Cincinnati.

N. Y. Form FS-1 a Must When Switching Plates Under Compulsory Auto

New York bureau of motor vehicles has emphasized that motorists must get a new certificate of insurance (form FS-1) before transferring registration plates from one vehicle to another, to comply with the compulsory auto law.

Trailers also are subject to the law, the bureau said.

Certificates of insurance received from agents or brokers handling the owner's automobile liability cover must be presented to the bureau before it will issue license plates for any car or trailer or transfer registration from one vehicle to another.

Robert J. Coyne Named to Zurich Agency Post

Zurich has appointed Robert J. Coyne assistant agency superintendent of its midwest department in Chicago. Mr. Coyne has had 11 years experience in underwriting and production assignments and has been agency superintendent in Chicago for National of Hartford.

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Court Restores Fla. Agent's License on Appeal

Commissioner Larson of Florida has reversed his order revoking the licenses of Earle W. Peterson of Broward county, Fla., following a decision by the Broward county circuit court that the commissioner's charges against the agent were not sufficient or sufficiently proved to sustain the revocation.

The insurance department had charged the agent with incompetency and untrustworthiness on grounds that he had failed to issue comprehensive and collision coverage on insured's motor car though he had promised to do so. A collision cost insured \$1,000, "as a result of (Peterson's) negligence as an insurance agent." The department held a hearing and revoked the licenses.

The court ruled that the single specification contained in the department's charges was insufficient to support the charges that Mr. Peterson demonstrated incompetency and untrustworthiness such as to make his continuance in the business of an insurance agent "detrimental to the public interest." There was no allegation that the agent's failure to provide PHD was fraudulent or even wilful, the court ruled.

"The right of the appellant to earn his livelihood through the conduct of his insurance business may be a source of great value to him, equal to any property rights which he may have, and the loss of it may inflict destitution and poverty upon himself and family," the court stated. The provisions of the law (chapter 627, Florida statutes, 1955) must be strictly followed because the statute is penal in nature, the court added.

The requirements as to the sufficiency of charges and the degree of proof necessary to support them should be no less in revocation of an insurance agent's license than are required for disbarment of an attorney or revocation of the license of a dentist or physician, the court ruled.

"The allegation in the charges against Mr. Peterson that he failed and neglected to provide the coverage agreed upon in one policy would support a civil action against him," the court stated. But without additional allegations of wilful misconduct or fraud, they would not support the incompetency and untrustworthiness charges.

The testimony adduced by the insurance department only established that Mr. Peterson, on one occasion, either misunderstood insured's instructions or neglected to write the policy, the court ruled. The commissioner contended that the elements of wilfulness or fraud were supplied by Mr. Peterson's defense of the proceeding before the commissioner on the ground that he was not obligated to issue the PHD rather than by admitting the obligation and pleading misunderstanding,

forgetfulness or excusable neglect.

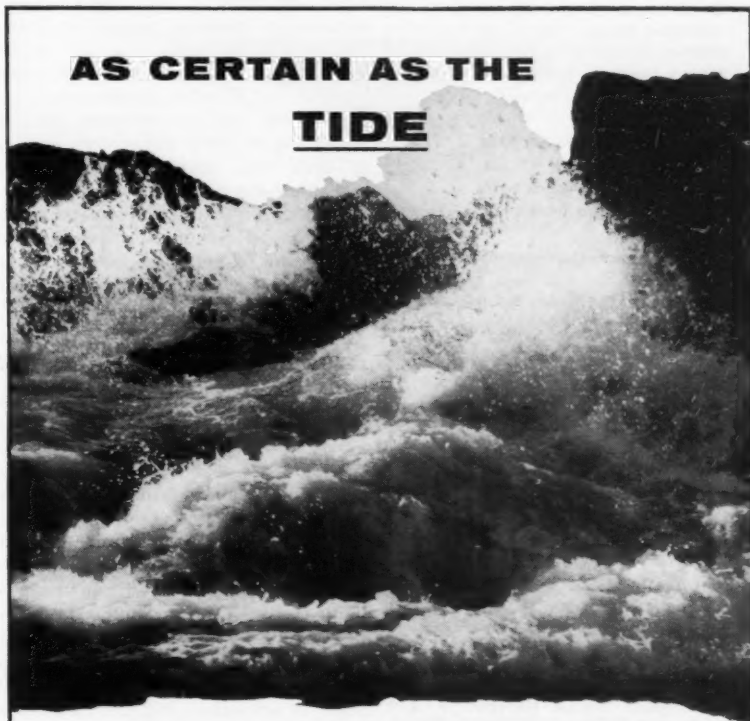
"This position," the court says, "is untenable, since to so hold would inhibit defense by insurance agents against disputed claims for fear that an adverse decision on the disputed claim would also result in a finding of imputed wilful misconduct or fraud against the agent."

Also, the court added, in cases of this character the proof of the charge must be clear and convincing, both as to acts charged and as to motive.

UJF Signed in Md., to Start Operating in 1958

Gov. McKeldin of Maryland has signed the unsatisfied claim and judgment fund bill, which goes into effect next year. It is substantially similar to New Jersey's unsatisfied claim and judgment fund law. Insured motorists will pay into the fund \$1 on registration of automobiles in 1958, uninsured motorists \$8, and insurers half of 1% of auto net premiums written in Maryland in 1958.

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NEW YORK 38, N. Y.—99 John Street, Room 2420, Tel. Beekman 3-3956. J. T. Curtin and Clarence W. Hammel, New York Managers.

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EDITORIAL COMMENT

Some Insurers Are Tightening up

Local agents in all parts of the country have found that companies in their agencies which registered unusually high loss ratios last year now are pursuing a much more careful and conservative underwriting course.

For example, they are declining to write certain classes of business. They are fixing a cold eye upon accommodation business offered to them. They have reduced their net retentions. This is their across-the-board attitude, but what is affecting the local agent even more is that these companies, after making exhaustive studies of their last year's operations, are marking some cities and counties, and, in a few cases, whole sections of states, as undesirable, as areas where any business is to be written only with extreme care and caution, or not at all.

The end result has been a shift in the premium volume local agents give the companies in their agencies. The companies hurt the worst last year in many cases are not pushing for volume, and, in fact, because of their tightened underwriting, are reducing premium income. In a number of agencies they are losing, if they occupied it, the "favored company" position.

But most agencies have some companies whose 1956 experience was not so disastrous, and these are the companies that have not made such radical changes in their underwriting procedures. As a consequence, they are finding themselves in a great many cases the recipients of an increased volume for which they have not asked.—Howard J. Burridge.

Effect of Lack of Seasoned Examiners

A company official remarked the other day that in his opinion at least a part of the poor underwriting showing made last year by the property insurance companies is due to the fact that many companies no longer have a staff of seasoned examiners. He went on to explain that too many companies have used their underwriting departments more than they should as a training ground for field men. They have employed young men who have been told that they are not expected to remain in an office capacity permanently but only long enough to acquire a working knowledge of underwriting, whereupon they are to be transferred to field work.

This process has resulted in a heavier turnover of personnel in underwriting departments than should have taken place. One consequence of it has been that too many green, inexperienced examiners have been passing on risks that should have been scrutinized by older and more experienced men. The young and temporary examiners have not had the background, the understanding and the ex-

perience which must be part of the make-up of the sound and perceptive examiner.

Before there was such an acute shortage of all personnel, underwriting was regarded as a career both by companies and those embarking on it. A young man would begin with a company as a map clerk. After a few years of such apprenticeship he would be promoted to some form of examiner and then gradually be given the responsibility for part of a state or all of it, and perhaps later on have the added responsibility of another state or two.

Such men continued in their examiner capacity. They did not wish to get into field work but regarded underwriting as an interesting, attractive and permanent occupation. The average age of examiners 20 or 25 years ago was much higher than today. The reason for this may be that the companies have made field work more attractive and lucrative and, without intending to do so, have down graded the status of the examiner.—Howard J. Burridge.

Unity Needed but Real Tough to Get

John C. Weghorn, New York City agent, is seeking to create a unified, representative unit out of Insurance Federation of New York, of which he is chairman. The purpose is to keep all sections of the business informed of political matters of importance, and to present a united educational and informational front to legislators and the public on the pros and cons of legislation relating to insurance.

The effort may not sound unusual—there are federations in several states across the country—but in reality there is no such organization as he describes, fully representative of the business for this—or any other—purpose. Mr. Weghorn's projection serves to focus attention on the fact that "the insurance business" is a fiction. It is hard to imagine a more dispersed, heterogeneous community, composed

of elements endowed with great inertia toward other elements in it, if not endowed with active eccentricity.

The insurance community is composed of a very large number of highly varied communities, each, in its special compartment, speaking its own language, pursuing its own ways, and, frankly, not much interested in the language or ways of the compartment next over.

Mr. Weghorn's description of the task sounds simple when he states that the aims and problems of one group must be of interest and concern to all others. But the order is a large one. It is difficult to recall an issue which aroused all sections of the business to a unity of action. Not even the commerce decision aroused all sections, or to the same degree. It remains basically true that the amount

of concern felt or expressed by one group and another depends on whose ox is being gored. The fight against compulsory auto in New York attracts about as much business-wide attention as anything in recent years, but the characteristic dispersion of interests in the business was clearly demonstrated. Even those interests directly concerned were split.

Mr. Weghorn's proposal already has attracted opposition from within the business. Each element prizes its independence. The community is a vast, inchoate agglomeration of highly independent elements, which represents, about as prominently as any other business community, the worst and best of American economic democracy.

All of which simply expresses the size of the problem faced by Insurance Federation of New York—or any other federation of the same kind. It does not nullify the soundness of Mr. Weghorn's view that government is constantly becoming a larger, more aggressive partner with the insurance as with other businesses, and if that partner is to be kept within the bounds of a reasonable discipline, this as well as other businesses must educate the creators of government, the legislators, in a positive and unified way—and must make the virtues of the business felt by the exhibit of a unification which heretofore has been rarely if ever displayed on any matter affecting the insurance business. The objective here is one which the business should be able to achieve on occasion, if it is to keep government from becoming the managing partner.—K.O.F.

PERSONALS

Hannah B. Witkin, executive assistant to the chairman of Schiff, Terhune & Co., insurance brokers of New York City, is celebrating her 50th year with the firm. Hired in 1907 by the founder, Simon Schiff, she was the company's first employe, and its only employe until the present staff of 150 was added beginning in 1909.

J. Victor Herd, president of America Fore, has been reelected a director of National Industrial Conference Board.

B. F. Weaver, formerly deputy U. S. manager of Royal-Globe and now deputy administrator of Federal Flood Indemnity Administration, and Miss Laura Sweet of New York, previously of Roanoke, Va., recently were married. The Weavers now are living in Washington.

Mrs. Leonice K. Mason, owner of Prescott & Son local agency in Malden, Mass., has been elected a director of the Malden Chamber of Commerce. She is the first woman to be named a director. Several years ago she was the first woman to hold a committee

Chicago Board Names

Charles D. Campbell
Assistant Manager

Chicago Board of Underwriters has appointed Charles D. Campbell as assistant to Manager W. W. Krom. Mr. Campbell, who has been in the business for nine years, has been auto manager of the Rockwood Co., Chicago local agency, and manager of J. W. Hackett agency of Des Plaines, Ill.

post when she was named chairman of Massachusetts Assn. of Insurance Agents' membership committee.

David S. Duncombe, superintendent of rating in the city division of New York Fire Insurance Rating Organization, is retiring, and will be honored by friends and associates May 15 with a dinner at Drug & Chemical Club in New York. Mr. Duncombe has been with NYFIRO since 1918.

Employees of America Fore's Pacific department this week are honoring **S. W. Weymouth**, **G. I. Olivier** and **R. M. Tapscott**, each of whom has completed 40 years service with the group. Mr. Weymouth and Mr. Olivier joined Continental in 1917, Mr. Weymouth as a map clerk and Mr. Olivier as a clerk in the loss department. Mr. Weymouth progressed through the positions of examiner, agency superintendent and assistant secretary, and was named secretary of the group's fire companies in 1948. Mr. Olivier became assistant general adjuster in 1943 and general adjuster in 1957. Mr. Tapscott started as a claims man with Fidelity & Casualty, became manager of that company's San Francisco claims office in 1919, and was appointed supervising attorney for the Pacific region in 1950.

John E. Sonin, director of agencies of Central Standard Indemnity, and Mrs. Sonin are the parents of their first child, a daughter, Darci Ann.

DEATHS

HERBERT F. NOTTELMAN, 53, special agent in western Michigan for the J. M. Wilson Corp. general agency of Kalamazoo, died at Blodgett Memorial hospital, Grand Rapids, after a short illness. He had been with the Wilson general agency before the war, and after the war was in Chicago until joining Wilson early last year.

ROWAN H. TUCKER, 63, associate manager and chief engineer of Mississippi State Rating Bureau in Jackson, died there following an illness of several months. He had been with the bureau since 1925.

ALFRED EMENS, 79, secretary for 25 years of Hillsdale County Farmers' Mutual Fire of Hillsdale, Mich., died at Ford hospital, Detroit.

GEORGE W. Kerdolff, 73, senior partner in Mann, Kerdolff, Kline & Welsh, local agency of Kansas City, died. He entered the business in 1910 and shortly thereafter formed a local agency, Stewart, Kerdolff & Snyder,

which merged with R. B. Jones & Sons in the early 1920s. In 1932, he left R. B. Jones & Sons to form the present agency. Mr. Kerdolff was a past president of Insurance Agents Assn. of Kansas City.

WILLIAM J. BURTON, local agent of Woodbury, Conn., died at Orlando, Fla. He had been an agent 32 years, was a former director of Excelsior and served as an advisory councilor at that company for many years from Connecticut. Recently, he had been with the Root & Boyd agency of Waterbury and Woodbury, which purchased his agency several years ago.

JOHN R. LANGE, 64, Wisconsin insurance commissioner for seven years, died in Madison. He was appointed commissioner by former Gov. Rennebohm in 1948 and served until 1955. Mr. Lange was a fellow of Casualty Actuarial Society and a member of Federation of Insurance Councils.

G. W. WALLACE, 54, local agent at Hartford, Ky., died at Owensboro hospital as a result of injuries suffered in an automobile accident.

HENRY O. CLUTSAM, 71, retired vice-president of the Newark agency of Gorman & Young, died at his home in Neptune City, N. J.

ROLAND M. CUTSHALL, 56, head of the Cutshall agency of Los Angeles, died.

JOHN M. VAN BUREN, 58, former assistant secretary of the fire companies of America Fore, died. Previous to his appointment as assistant secretary, he had been manager at Philadelphia and had represented the group in New Jersey, Connecticut and Massachusetts.

FRANK J. SIRACUSA, 57, Atlantic City local agent, died. He was a member of the executive committee of New Jersey Assn. of Insurance Agents and a past president of Atlantic City Assn. of Insurance Agents.

J. GEORGE KAPLAN, 53, general insurance and excess lines broker of New York City, died at his home in West Orange, N. J.

A. E. G. Swift Appointed to Kemper Post in East

Kemper group has appointed A. E. Gaynor Swift manager of the boiler and machinery underwriting department in the eastern department. He has been in boiler insurance since 1933 and with Kemper group in Toronto since 1950.

Insurance Women of Columbus gave an Easter party for 16 pre-school age children of Columbus Hearing Society. Miss Helen Murphy was in charge.



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NEWS OF FIELD MEN

Aetna Fire Appoints One, Transfers Two Field Men

Aetna Fire has appointed Wilbur T. Eggleston special agent at Lakewood, O., has transferred Special Agent Clifford L. Johnson from Toledo, O., to Kansas City, and has named George W. Goeddeke, former special agent in Kansas City, as underwriter in the western department at Park Ridge, Ill.

Mr. Eggleston, who will be associated with Lakewood, O., Resident Manager C. R. Tobin, has been an underwriter in the western department and has completed the company's field training school at the home office.

Mr. Johnson, who has been at Toledo for four years, has also graduated from the company's field training course. He will be associated with Resident Manager H. E. Johnson Jr. in Kansas City.

Mr. Goeddeke will handle underwriting for Illinois, Iowa, North Dakota and South Dakota.

Meet to Plan for 1961

Blue Goose Grand Nest

New York City and New Jersey Blue Goose officers have met to form plans for the Grand Nest convention. The ponds will be co-hosts in 1961 at New York City. George P. Albiez, past MLG of New York and New Jersey, and Philip M. Winchester, past MLG of Blue Goose International, have been named co-chairmen of the convention committee. Mr. Albiez is Newark manager of Pearl. Mr. Winchester is New York vice-president of Allied Adjusters of Baltimore.

The meeting of the convention committee was held in connection with a New York City Blue Goose dinner attended by more than 200 ganders.

Commercial Union Names Maryland Special Agent

Commercial Union-Ocean group has appointed Frank E. McGillan special agent in Maryland, with headquarters in Baltimore. Formerly an adjuster in the Baltimore office of General Adjustment Bureau, he entered insurance with GAB prior to World War II. After service in the marines, he returned to the bureau, was assigned to New York. Later transferred to Washington, D. C., he was shifted to Baltimore shortly before resigning to join Commercial Union.

Hartford Steam Boiler Names 2 in Tex., Mont.

Hartford Steam Boiler has transferred Special Agent C. F. Sweeney to its Ft. Worth, Tex., office. He has been operating from Livingston, Mont., handling a territory incorporating Montana, Wyoming, western South Dakota, and western Nebraska.

Special Agent W. C. Hoover, formerly in the company's Denver office, has been transferred to Livingston, to succeed Mr. Sweeney.

Savage Appointed Special Agent of American Surety

American Surety has appointed Harold B. Savage special agent in Washington, D. C. He joined the company last February, and is a graduate of its special agent training program.

Hartford A.&I. Names Bily, Dempsey in Mich.

James W. Bily and William M. Dempsey have been named special agents out of Hartford Accident's Grand Rapids office. They will cover territory in south central Michigan.

Mr. Bily joined Hartford Accident in 1947 at Chicago and became special

agent for northern Indiana in 1955. He has been serving as supervising underwriter at Grand Rapids since last June.

Mr. Dempsey joined the company's western department in 1950 as an automobile underwriter and in 1955 transferred to Grand Rapids in a casualty underwriting capacity.

National Union Advances Swisher, Geyer, in Ind.

National Union group has named Lynn D. Swisher manager in Indiana and John Geyer assistant manager. Mr. Swisher has been in charge of Indiana operations for National Union for some time, and Mr. Geyer has been assisting him.

The group's Indianapolis office now is located at 2859 North Meridian street.

Pacific Employers Names Brown, Eilber on Coast

Pacific Employers has appointed Arthur Brown Jr. special agent and Donald Eilber underwriter at Sacramento, Cal.

Mr. Brown, who will cover the Sacramento valley territory, has had 11 years in the business, most recently as a local agent in the San Joaquin valley. Mr. Eilber has also had both company and agency experience for 11 years.

Fireman's Fund Names Pritchett to Ind. Field

Fireman's Fund group has appointed William H. Pritchett special agent in northern Indiana for auto, casualty, bond and burglary. Mr. Pritchett, who will operate out of South Bend, has had nine years experience as field man and as an agent.

Security-Conn. Group Names McCarthy in Cal.

Security-Connecticut group has appointed Robert McCarthy special agent for the San Joaquin valley territory in California. He joined the group in 1954 as assistant manager of the inland marine department in San Francisco and became chief underwriter there in November 1956.

Wilmarth in Tenn. for Commercial Union-Ocean

Commercial Union-Ocean has appointed Ralph H. Wilmarth special agent in Tennessee. He will be associated with Special Agent J. W. Garton at the group's field office in Nashville.

Commercial Union-Ocean Names Richards in Neb.

Commercial Union-Ocean group has appointed R. M. Richards special agent in its newly-established multiple line field office at 824 Brandeis Theatre building in Omaha.

St. Paul F.&M. Appoints Southward Special Agent

St. Paul F.&M. has appointed Edward T. Southward special agent at Pittsburgh associated with State Agent Carroll E. James.

Name R. M. Richards at Omaha

Commercial Union-Ocean group has appointed R. M. Richards special agent at its new field office in Omaha.

New Jersey Insurance Fieldmen's Assn. will hear Harold D. Feuerstein, counsel of New Jersey Assn. of Insurance Agents, at the April 29 meeting in Newark. He will discuss recent trends in insurance law.

High Court Upholds Holz on Agent License Revocation

(CONTINUED FROM PAGE 3)

Dorfman knew this action would result in license revocation and stated that on Feb. 3, 1956, the date Dorfman refused to submit books and records for examination, he wrote Union Casualty and asked it "to remove any condition which might prevent the agent from receiving renewal commissions if the agency contracts were terminated."

At the statutory hearing held by the department, Dorfman did not appear but his attorney did.

The department also charged Dorfman with violating a section of the law which imposes upon agencies the obligation of aiding examiners in conducting examinations of insurers. The department concluded that "An agent licensed by this department who refuses its examiners access to its books and records thereby thwarts any attempt to supervise him or to inquire into his conduct as an insurance agent. Such a situation is intolerable."

To Dorfman's argument that he could find no reported case where license had been revoked for failure to furnish financial information, the state replied that this was of no relevance. It added, "We know of no instance where such an agent of an insurer had the effrontery to steadfastly refuse to permit examination of its financial records." It added that the insurance department examiners went to Chicago to obviate any hardship involved in the agency taking the records to New York, but parenthetically asserted that the superintendent has the right to compel the out-of-state licensee to take its records to the department.

Dorfman, in his application to the Supreme Court for a writ, argued that to permit the superintendent to revoke an agent's license for "refusal to submit to his unlawful assertions of authority over their personal and private affairs without adequate notice, without opportunity to defend and without a fair and impartial hearing," constitutes deprivation of due process and an unwarranted invasion of privacy. He also contended one question was whether the constitution is not violated by New York law if it permits the superintendent to apply the law "arbitrarily, unreasonably and capriciously." He stated that vouchers were furnished and that the agency offered to produce books and records relating to Union Casualty business but not personal records and books of the agency not so related.

A & S

N. Y. A&H Club to Hear Detectives Talk May 2

New York representatives of Pinkerton's National Detective agency will describe the behind-the-scenes activity of their investigation of A&S claims at a dinner meeting of New York Accident & Health club at 6:30 p.m. May 2 at Hotel Shelburne.

A film, "The Pinkerton Man," depicting the work of a typical investigator, will be shown. W. S. Guill, Pinkerton's New York office manager, will discuss interesting claims cases. A number of case histories will be outlined by R. W. Schooley, Pinkerton's insurance department manager.

The meeting is designed to give a better understanding of the amount of

work and close cooperation between investigative agencies and insurance companies necessary for adequate claim administration.

W. C. Woodyard Joins Zurich's A&S Division

William C. Woodyard has joined Zurich as superintendent of the individual accident and health department. A complete nationwide sales and service organization in individual A&S will be developed as rapidly as possible under Mr. Woodyard's direction.

Mr. Woodyard has been for 16 years with Continental Casualty. He joined Continental in Pittsburgh as a special agent, was transferred to the home office as executive special agent in 1948 and a year later was made superintendent of agencies for the commercial division. Appointed director administration for A&S branch offices in 1953, he became manager of all A&S branch administration in 1955.

American Continues to Integrate Offices

American group has integrated operations of American and American Automobile in five additional branch offices.

In Boston, Resident vice-president James J. Hennessey will supervise operations and H. Philip Freud will serve as branch manager.

Robert W. Blakeslee continues as Resident Vice-president of the Hartford branch.

Resident Vice-president Malcolm R. Smith is chief executive of the Dallas office. J. Gilder Levey, formerly manager of American's southwestern department at Dallas, will be in charge of a new branch office to be opened in the near future.

In Houston the branch is headed by Resident Vice-president Robert B. Thomas.

Resident Vice-president Milton E. Moore is in charge of the New Orleans branch.

United Pacific Promotes Hodson, Cotton on Coast

United Pacific has appointed John A. Hodson manager of the fidelity and surety department in the northern California regional office at San Francisco and has named John C. Cotton to succeed Mr. Hodson as bond manager at Seattle.

Mr. Hodson joined United Pacific at Seattle in 1951 after several years with American Surety and U.S.F.&G. Mr. Cotton joined the company in 1952 and has been assistant manager of the bond department in Los Angeles since 1953. Both men are past presidents of Seattle Surety Underwriters Assn.

John Steel Is Elected President of Paramount

John A. Steel has been elected president of Paramount Fire of the Pacific National group. He is president of the parent company.

Directors of Paramount have voted a \$1 per share dividend to be paid in May, the first cash dividend to be paid by Paramount since 1948. Mr. Steel reported that the company had a successful year in 1956 with an underwriting profit and an increase in earned surplus of \$365,000.

GAB Names Jantz at Yuma

General Adjustment Bureau has appointed Cecil J. Jantz manager at Yuma, Ariz., to succeed Paul Middleton, who was transferred to Tucson. Mr. Jantz has been in insurance for seven years, most recently with GAB at El Centro, Cal.

Insurance Groups Ranked by Premium Volume

(CONTINUED ON NEXT PAGE)

45. Service companies	47,739,295	108. Century	6,281,377
46. Employers, Dallas	44,791,872	109. Hartford Mutual	6,106,129
47. American Casualty	42,462,788	110. Canadian	4,681,974
48. National Union	40,457,262	111. Appleton & Cox	4,144,731
49. American Surety	40,407,033	112. Pan American	4,054,368
50. American Fidelity	39,966,540	113. Seaboard Finance	3,456,052
51. Western, Kan.	37,069,939	114. Twin States	3,036,605
52. New Hampshire	33,624,520	115. Sterling Offices Group	2,860,864
53. Northern of N. Y.	32,970,619	116. National, Omaha	1,911,401
54. Corroon & Reynolds	32,611,837	117. Suburban Casualty	1,585,632
55. Atlantic Mutual	32,305,310	118. Merchants	1,448,628
56. Commercial Credit	31,909,136	119. Chas. L. Jackman	1,400,663
57. London & Lancashire	31,224,758		
58. Hanover	30,725,675		
59. Ohio Farmers	28,370,756		
60. New Jersey Mfrs.	27,354,528		
61. Pacific of N. Y.	26,585,595		
62. Buckeye Union	26,308,757		
63. Security, Conn.	25,925,911		
64. Pacific Employers	24,736,252		
65. Emeco	24,039,705		
66. Providence Washington	23,838,743		
67. Merchants, N. Y.	23,447,015		
68. Northwestern Natl.	23,341,356		
69. Bituminous Cas.	23,006,042		
70. London	22,747,029		
71. Hawkeye-Industrial	22,342,686		
72. Trinity Universal	22,295,684		
73. Pearl-Monarch	21,346,040		
74. Agricultural	21,306,451		
75. Gulf, Texas	20,485,806		
76. Pennsylvania Mfrs.	19,458,074		
77. Peerless	18,946,983		
78. American Home	17,934,709		
79. Factory Mutual Liab.	17,853,577		
80. Sun of London	17,753,663		
81. Harleysville	17,598,348		
82. Republic	16,409,806		
83. Natl. Auto & Cas.	14,566,475		
84. Royal Exchange	14,249,696		
85. Houston F. & C.	13,798,195		
86. Yorkshire	13,309,620		
87. Cambridge Mutual	13,139,786		
88. Northern, Eng.	12,958,442		
89. Anchor	12,341,153		
90. J. A. Munro	10,608,972		
91. American General	10,217,580		
92. Atlas	10,137,325		
93. Coml. Standard	9,994,178		
94. Scottish American	9,553,683		
95. Selected Risks	9,339,548		
96. Indiana	9,010,604		
97. St. Louis group	8,783,798		
98. American Indemnity	8,689,191		
99. Norwich Union	8,597,624		
100. Fester, Fothergill & Hartung	8,328,370		
101. General Acceptance	8,068,591		
102. New Zealand	7,949,004		
103. Millers National	7,275,620		
104. American Equity	7,079,970		
105. Tri-State	7,001,863		
106. Celina Mutual	6,749,340		
107. Talbot, Bird & Co.	6,634,623		

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, April 23, 1957

	Bid	Asked
Aetna Casualty	131	135
Aetna Fire	72 1/4	73 1/2
Aetna Life	185	190
Agricultural	27 3/4	28 3/4
American Equitable	32 3/4	33 3/4
American (N. J.)	28 1/4	29 1/4
American Motorists	10 3/4	11 1/2
American Surety	19 1/4	20
Boston	33 3/4	34 3/4
Camden Fire	28	29
Continental Casualty	88 1/2	89 1/2
Crum & Forster Com.	57 1/2	58 1/2
Federal	40	41
Fire Association	43 3/4	45
Fireman's Fund	58 3/4	59
Firemen's (N. J.)	37 3/4	38
General Reinsurance	52	53
Glens Falls	33 1/2	34 1/2
Globe & Republic	18 1/4	19 1/4
Great American Fire	39	40
Hartford Fire	161	163
Hanover Fire	38	39
Home (N. Y.)	41 1/2	42 1/2
Ins. Co. of No. America	99 1/2	101
Maryland Casualty	38	39
Mass. Bonding	33 3/4	34 3/4
National Fire	80 1/2	82 1/2
National Union	37	38
New Amsterdam Cas.	45	47
New Hampshire	38	39 1/2
North River	37	38
Ohio Casualty	23	24
Phoenix Conn.	75	76 1/2
Prov. Wash.	19	20
St. Paul F. & M.	57	58 1/2
Security, Conn.	31	33
Springfield F. & M.	48	49 1/2
Standard Accident	58	59 1/2
Travelers	81 3/4	82 3/4
U.S.F. & G.	73 1/2	75
U. S. Fire	26	27

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30 qualified Missouri Agents with \$50,000 or more good annual volume of Fire or H & A wanted to form stock Fire & H & A Company. \$5,000 to \$10,000 investment in common stock required. Unusually good reinsurance treaties agreed to. 100% reinsurance on lines necessary as decided by you, the Directors. Reply in confidence to: Box T-95, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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WANTED: Branch Sales Manager for a direct writing stock company. Must be technically proficient in Casualty and Fire Insurance.
WE OFFER: Excellent starting salary opportunity for promotion, increased earnings, very little travel away from Cleveland area.
QUALIFICATIONS: Intelligent and keen mind, imagination drive and ability to take orders as well as handle people and assume responsibility. It is preferred that you now live in the Cleveland area and have a minimum of two years college.
IF YOU QUALIFY: Write about yourself to Box U-7, c/o THE NATIONAL UNDERWRITER COMPANY, 175 West Jackson Blvd., Chicago 4, Illinois. All replies will be treated confidentially.

AUDITOR

(Internal) A challenging and interesting position with a national insurance company is open for a man with a degree in accounting and some experience in casualty insurance company accounting. This job offers a good opportunity to create and build an internal audit department, contact with top management, and program writing and development. Recognition given to work accomplished. We would like a man not over 35. Your résumé outlining education and experience will receive careful consideration and absolute confidence. Write to Box T-49, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

SPECIAL AGENT with knowledge of Multiple Lines; position in city of 50,000, State of Montana. State experience, salary expected and age. Address Box T-82, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Eleven years home office and field experience, fire and casualty lines, in northern Illinois and Wisconsin. Married, age 36, presently employed as special agent. Address Box T-70, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SAFETY ENGINEER AVAILABLE

15 years experience all lines, including Boiler and Machinery. Prefer Eastern location. Address Box T-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

OPPORTUNITY IN LOUISVILLE

WANTED: Branch Manager for a direct writing stock company. Must be technically proficient in Casualty and Fire Insurance.
WE OFFER: Excellent starting salary, a rewarding incentive plan, a challenging job with very little travel.
QUALIFICATIONS: Must have sales ability and actual selling experience. Have training background, drive, imagination and courage. It is preferred that you live in the Louisville area and have a minimum of two years college.
IF YOU QUALIFY: Write about yourself in full to Box U-9, The National Underwriter Company, 175 West Jackson Blvd., Chicago 4, Ill.

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2 years or more experience
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compensation claims.

Write stating age, education,
experience, marital status and
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for executive position with a growing national casualty insurance company located in the pleasant, expanding and friendly southwest. Must have ability and desire to grow and expand with company. Experienced in all casualty lines and capable of handling large commercial accounts. If you feel your progress is limited in your present position, this may be the opportunity you are seeking. Salary is open and depends entirely on qualifications. Write advising qualifications, salary requirements and enclose snapshot of yourself. Address Box U-6, c/o The National Underwriter Co., 175 West Jackson Blvd., Chicago 4, Illinois.

OCEAN MARINE UNDERWRITER

Challenging opportunity exists in our rapidly growing mid-western department for an experienced underwriter who is capable of assuming responsibility. Liberal and unique employee benefits are only part of this attractive offer. Write, giving full résumé and photograph.

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for substandard and Financial Responsibility coverage in Michigan. Can produce large volume. Address Box T-94, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Afco Elects Executive V-P, Six Other Officers

Afco, the premium finance company, has elected George Faunce III executive vice-president and a director, Arthur A. Roedel and Edward L. Denton Jr. vice-presidents, J. C. Sweeney treasurer, Joseph T. Foster Jr. assistant vice-president, and William R. Finigan and Burt N. Sempler assistant secretaries. Peter D. Birkbeck was elected vice-president and general manager of Cafo, an affiliate.

Mr. Faunce joined Afco in 1956 as an administrative assistant and was subsequently named assistant to the president. He formerly was with the Rochester, N. Y., law firm of Nixon, Hargrave, Devans & Dey, and Hanover Bank.

Mr. Roedel entered insurance with Royal-Globe in 1938, joined Home in 1948 as head of the actuarial division, and went to Afco as an assistant vice-president in 1953. Mr. Denton joined Afco as counsel in 1955. He formerly was with the DeForest, Elder & Mulreany, a New York City law firm. Mr. Sweeney went to Afco in 1954 and was appointed assistant treasurer

shortly thereafter. Previously with Price Waterhouse & Co. of New York City, he was for many years chief accountant in the New York loan agency of Reconstruction Finance Corp.

Larkin Heads Chicago Office of Security-Conn.

F. Howard Larkin has been advanced to manager at Chicago for Security-Connecticut group. The office will remain at 208 South La Salle street.

Mr. Larkin entered insurance in 1930 in the fire underwriting department of Great American and was promoted in 1938 to special agent. He was subsequently with Aetna Fire. Since 1947 he has traveled the Chicago area as an underwriter and field man. In 1955 he joined Security as state agent covering DuPage and Cook counties in Illinois.

Minn. Legislature Nears End With Department Reorganization Unresolved

ST. PAUL—In reversing the state insurance has two major pieces of unfinished legislation affecting insurance to clean up before its adjournment, due this week. One would put a 2% premium tax on annuities, and insurance people are in hopes of defeating this bill. The other measure is the governor's reorganization bill which would abolish the insurance department as a separate agency and make it a division of the department of commerce. Insurance men have opposed this scheme.

Minn. High Court Adds New Twist to WC Act

ST. PAUL—In reversing the state industrial commission in a workmen's compensation case, the Minnesota supreme court has set down a new policy. It awarded the widow and son of a silicosis victim \$2,750 additional compensation from the special compensation fund after the employee had collected the maximum of \$7,500 while he was still living.

A referee for the commission had determined the widow was entitled to the additional compensation but the commission reversed him. But the high court said in an unanimous decision reversing the commission: "We have adopted the theory that the dependents of a workmen have a pecuniary interest in the normal continuation of his life and the purpose of the (compensation) act is to compensate them from loss they suffer when he is accidentally killed or dies from compensable injuries."

Thomas Retires at Celina Mutual; Schulte Appointed

John Thomas, claims manager at Dayton for Celina Mutual, has retired after 17 years with the company. He had been in the business for 31 years.

Celina Mutual has appointed John P. Schulte an adjuster in Dayton. He joined the company in 1954.

Selective Managers Rally

Selective of Cincinnati, founded by Kroger Co. in 1942 will hold its annual national sales conference at Cincinnati next week. Joseph B. Hall, president of the Kroger Co. and chairman of Selective, and Preston Estep, president of Selective, will welcome managers and guests from 10 branch offices.

Selective is a direct-writing stock company, providing fire insurance, general liability, workmen's compensation and automobile coverages to both commercial and individual risks. It is a leading writer of food products liability.

AVAILABLE—MIDWEST

Presently employed medium size agency manager. Nine years agency experience all phases. Banking experience also. Interested agency management position with better opportunity or industrial insurance programming. Will consider other desirable offers. Age 38, family, conscientious hard worker. Address Box T-79, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INLAND MARINE CLAIMS EXAMINER

Excellent opportunity in Chicago with expanding Multiple Line Company for experienced Inland Marine Claims man. Salary open. Desirable Company benefits. Please send resume of age, experience and salary desired. Confidence respected. Our employees know of this ad. Box T-96 c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY UNDERWRITER

Wanted—Young man to head casualty underwriting section of fast growing multiple line Wisconsin mutual. Must have general liability and auto experience and be capable of making rate filings. Company is rated A-plus, is located in ideal city of 40,000. Employees get all benefits. An excellent opportunity. Salary open. Confidence respected. Write Box T-97, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIELD POSITION WANTED

38 years of age 6 years home office and 14 years field experience in all lines other than Casualty and Life. Now employed by leading old line stock fire insurance company but desire change. Southeastern states a preference. Write care The National Underwriter Co., Box T-98, 175 West Jackson Blvd., Chicago 4, Ill.

AVAILABLE CLAIMS MANAGER

Age 40, Attorney, Married, Family. Multiple Line Experience Field and Supervisory. 10 Years Casualty Claims Including Management of Large Metropolitan Claims Office. Desire Opportunity in Position as Claims Manager or Examiner. Confidence respected. Write Box U-1 c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

BOILER INSPECTOR

with National Board ticket for Rochester branch stock casualty company, Western New York generally. Salary open. Vacancy due to present man moving out of state. We invite your inquiries in strictest confidence. Box U-2, c/o The National Underwriter Co., 175 West Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT

Multiple Line Special Agent. Northern Illinois territory. Prefers either experienced Special Agent or young man with underwriting background. Salary commensurate with experience plus expense account and car allowance. Address Box U-4, c/o The National Underwriter Co., 175 West Jackson Blvd., Chicago 4, Ill.

WANTED—CALIFORNIA AGENCY

By experienced multiple line fieldman. Premium volume \$100,000—\$150,000. Will purchase outright or partnership interest. Details necessary. Replies held confidential. Write Box U-5, c/o The National Underwriter Co., 175 West Jackson Blvd., Chicago 4, Ill.

McGee & Co. Names Several to New Posts

Wm. H. McGee & Co. has elected as a director Frank E. Kane, vice-president in charge of Pacific coast operations, and as secretary Graham H. R. Jenkins. George H. Colie was named inland marine secretary, Louis J. Etzel multiple line secretary, George M. Redmond assistant treasurer, and Elmer W. Nolan, who is manager of the Pleasantville, N. Y., office, assistant treasurer.

Wm. H. McGee & Co. of Canada, a wholly owned subsidiary, has named Harold E. Maloney a director and vice-president, Mr. Jenkins director and secretary, and Gordon D. Linklater treasurer.

Federated Mutual I.&H. Elects Buxton President

Federated Mutual Implement & Hardware has elected Charles I. Buxton II president to succeed James E. Kidd, who has retired after 35 years with the company. Mr. Buxton was also elected to the board.

Mr. Kidd, who will remain active in an advisory capacity, was reelected to the board, as were Henry E. Breen and Edmund Hartung.

Several Insurance Bills Die in Mich.

LANSING—The legislative deadline has passed in Michigan requiring that bills not reported from committee in their houses of origin be considered automatically dead. Several measures disquieting to insurance people were among the casualties, among these a proposal to require employers to provide unemployment compensation disability; a compulsory automobile insurance bill; removal of the present ceiling on silicosis benefits under workmen's compensation; elimination of the accidental factor in WC cases; introduction of comparative negligence; creation of an unsatisfied judgment fund for automobile accident cases.

Measures belatedly reported to the floor, making passage possible, were three WC bills, one of which would make facial disfigurement compensable, another raising from \$1,500 to \$2,000 the amount payable to the second injury fund in cases of compensable fatalities involving persons without dependents, and a third to make elective officers eligible for WC coverage. A bill to abolish the state accident fund also died.

Mo. Order on WC Plans

Superintendent Leggett has issued an order prohibiting insurers in Missouri from offering or issuing workmen's compensation or employers liability policies to certain associations of employers or other special groups without making the same coverage available at similar rates to competing employers who are not members. The order adds that it is not permissible to combine premium and loss data of such trade associations for experience rating, premium discounts or retrospective rating except as regularly provided in the manual.

New Johnson Claims Office

M. M. Johnson Claims Service of Fort Wayne has opened an office at Anderson, Ind., at 205 Anderson Loan building. This is the fourth branch office of the Johnson Claims Service.

Major Changes Made in West by USAU

U. S. Aviation Underwriters has made a number of major changes in the organization of its western department, effective May 1. The Kansas City service office will close and will be merged into the Dallas office which becomes the Dallas branch of the western department. H. E. Somerville has been named manager. The new branch will supervise business in Texas, Louisiana, Arkansas, Oklahoma and Kansas.

The Chicago office continues to be western department headquarters supervised by Vice-president James R. Graham and Manager M. G. Hocker, and becomes the contact point for all Iowa, Missouri and Nebraska agents formerly reporting to Kansas City.

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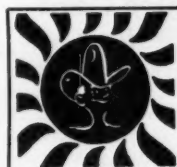
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H. O.—Springfield, Illinois

Illinois Branch Offices

Alton—Belleville—Decatur

Jacksonville—Peoria



Iowa Agents Name R. D. Cline President

(CONTINUED FROM PAGE 1)

west Territorial Conference of the national association.

A large portion of the discussion at Des Moines centered around the new agents qualification bill which will become effective in 1958. The agents have been trying for many years to obtain a qualification law and in 1955 decided not to make the attempt in the legislature but instead do a grassroots job and concentrate on the legislature this year. This worked out successfully.

Al Diehl, Des Moines, chairman of the legislative committee, who was instrumental in getting the bill through the legislature, was named as the outstanding agent of 1957.

The rural and small lines committee, headed by C. D. Friday of Osceola, recommended that the association urge approval of the special farm survey and rating plan. The association also urged that National Bureau of Casualty Underwriters hold regional meetings.

Mr. Friday said his committee had contacted prominent farm writing agents in Minnesota and Kansas where the farm survey plan is in operation. The Minnesota agents feel the plan is a step in the right direction, he reported, but some feel that the base rate on unprotected buildings is too high. He said Kansas agents feel the plan is a great improvement.

Mr. Friday stated that a number of "so-called curbstome or part-time agents are drawing away from the farm business for the reason they do not like to go to the trouble of making detailed inspections." He also said the companies through the years have appointed "unqualified" agents, which has had its part in undesirable loss ratios.

Mr. Friday recommended that the meeting of farm agents and representatives of Farm Underwriters Assn., held this year in conjunction with the Midwest Territorial Conference, be made an annual affair.

Charles Smith of Des Moines, chairman of the conference committee, recommended that the National Bureau hold regional meetings, although he pointed out that this suggestion has not been received favorably.

Mr. Hudson in his presidential report recommended that a special committee be established to study the problem of compulsory automobile insurance and

pointed out that agents must take a definite stand on the problem before the next legislature convenes. He also urged the association to reestablish district educational meetings and promote insurance education. In its campaign for the agents qualification bill the association did not hold educational meetings last year.

Louie E. Woodbury Jr., of Wilmington, N. C., vice-president of the National association, urged agents to explain all possible coverages to prospective customers because "due to the general enviable reputation of insurance companies, people have come to feel that all insurance policies are alike."

Warren A. King of Life magazine spoke on "The Changing American Market" and Gordon Refoy of the head office of Western Adjustment, discussed reporting forms. Panel discussions were held on commercial property coverages and dwelling package policies.

Lewis V. Irvine, director of training and sales promotion for Travelers, listed three major problems of the insurance industry today, in his address to the Iowa convention.

The first and for agents the most immediate problem is marketing, he said. Facing the fact that in recent years companies operating on the agency system have steadily lost ground to direct writers, he suggested the first solution to the problem is that a sound production program be conducted in terms of accounts fully covered, including life insurance.

Service to accounts is also a weapon against the inroads of direct writing competition, since business which is set up on a proper installment basis and is well serviced will tend to stay where it is well treated, Mr. Irvine said. Also, since the direct writers operate on the basis of large volume at smaller margins, he suggested that agents, rather than competing with each other much of the time, try going after the cut-rate or dividend business, and he cited examples of successful efforts in this line.

Sensible and specific laws to control the operation of automobiles—and strict enforcement of those laws—will furnish the solution to the second major problem, highway safety and the

automobile situation, Mr. Irvine said. "It means 'no-fix' provisions. It means cooperation between law enforcement and the judiciary. It means broadening our pitiful driver training programs. It means loss of driving licenses, fines, jail. It means directing controls toward the individual—the driver rather than the car."

Giving examples of poor driver license requirements, he stressed the need for improvement in that area as well, and also for firm control of jaywalking, which was responsible for almost 40% of pedestrian auto deaths in 1956.

The third major problem is that of insurance to value. While the radio, TV, and magazine advertising program being conducted by National Board will furnish the spark in bringing to the public's attention the need for insurance to value, each producer must add to the flame he said. He mentioned the examples of underinsurance cited in THE NATIONAL UNDERWRITER during the past few weeks, and emphasized that proper insurance to value will pay for a new house to replace the building destroyed, through the replacement cost clause.

HIAA Completes Card for May 6-8 Meeting

The program has been completed for the annual meeting of Health Insurance Assn. of America May 6-8 at Sheraton-Park hotel, Washington, D. C.

Dudley Dowell, executive vice-president of New York Life, will discuss "Responsibilities and Objectives in Marketing Health Insurance"; John K. Macdonald, president of Confederation Life, will speak on "State Hospitalization in Canada," and H. Clay Johnson, executive vice-president of Royal-Globe group, will speak on "Big Government and Private Insurance."

A number of other leaders from insurance, business and government will discuss insurance affairs on the state and national levels. An attendance of 400 is expected.

Not Much Insurance In Missouri Legislature

JEFFERSON CITY—The Missouri legislature is entering the last week of its session with little new legislation of insurance interest. Pending bills affecting insurance include: A measure to prohibit mortgage lenders from specifying an insurance agent or broker (in the insurance committee); a measure to bring certain insurers under sales tax on premiums (reported do not pass); a bill for compulsory liability insurance (reported do not pass); a measure to provide hearings before cancellation of automobile liability insurance policies with an appeal to the superintendent of insurance (in the insurance committee); an agent qualification bill (reported do pass by the house insurance committee with four amendments); a number of bills on A&S company policies and practices including an unfair trade practice act.

AMA Spring Seminars

American Management Assn. is sponsoring two workshop seminars on insurance as part of its spring program. Nils H. Munson, insurance manager of Dow Chemical Co., will be chairman of a seminar on "Methods of Insuring Against Fire and Business Interruption" May 20-22, and C. Stanley Hamilton, insurance manager of J. P. Stevens & Co., will preside at a seminar on "All Risk Policies and the Multiple Line Approach" June 3-5. Both meetings will be held at the Sheraton-Astor hotel in New York City.

Marine Underwriters Discuss Coverage of Atomic-Powered Ships

Marine insurance aspects of the atomic-powered cargo ship the federal government proposes to begin building later this year were discussed at recent meetings in New York City of representatives of Marine Office of America, American Institute of Marine Underwriters, and the government.

Richard P. Godwin, project director of the joint maritime reactor program of Maritime Administration and Atomic Energy Commission, headed the government group, which included Robert J. Mulvihill of the joint MA-AEC program, and William H. Lane of Maritime Administration. Percy Chubb II of Federal, president of the institute, Frank B. Zeller of Royal, chairman of its nucleonics committee, and George Inselman, president of Marine Office of America, represented marine underwriters. Mr. Godwin invited them to nominate a study group of executives and technicians to analyze the marine and protection and indemnity aspects of the government's atomic reactor programs. Mr. Zeller said that marine underwriters in the American market contemplate cooperating to the fullest extent to insure the proposed vessel for physical damage.

As to the evaluation of the risks involved and third party liability, however, he pointed out that considerable study will be necessary.

The government hopes to have the atomic-powered cargo ship on the seas by 1960, and is now working on the development of a second such vessel.

Marine Office Appoints E. O. Jenkins in South

Marine Office of America has appointed E. Otis Jenkins manager of the southern department, with headquarters in the National Bank of Commerce building in New Orleans.

For many years manager of the Jacksonville, Fla., office, Mr. Jenkins joined Marine Office in 1932. He succeeds J. Kenneth Sadler, who has resigned.

United Mutual Names L. H. Dunten President

United Mutual of Fort Wayne, Ind., has named L. H. Dunten president to succeed Richard Traster and has elected George J. Komarek vice-president.

Two Big Bonds in Cal.

LOS ANGELES—Public works construction contracts awarded during the past few days include: Gordon H. Ball and Gordon H. Ball Inc. awarded a contract by the U. S. engineers at a price of \$7,821,923 for construction of airport facilities at Mather air force base, Sacramento county. Travelers Indemnity is primary surety.

Johnson, Drake & Piper Inc., Oakland, awarded the contract by California department of public works at the bid price of \$4,935,599 for road improvements in Alameda county. Continental Casualty is surety.

Women Set "Education Day" May 4

South Bend-Mishawaka Assn. of Insurance Women will hold their annual "Education Day" at Notre Dame, May 4. Included on the program are Joseph Merford, New Amsterdam Casualty; Thomas Borges, Fidelity & Casualty, and Charles Kaessinger, Standard Accident, who will discuss general liability coverages.

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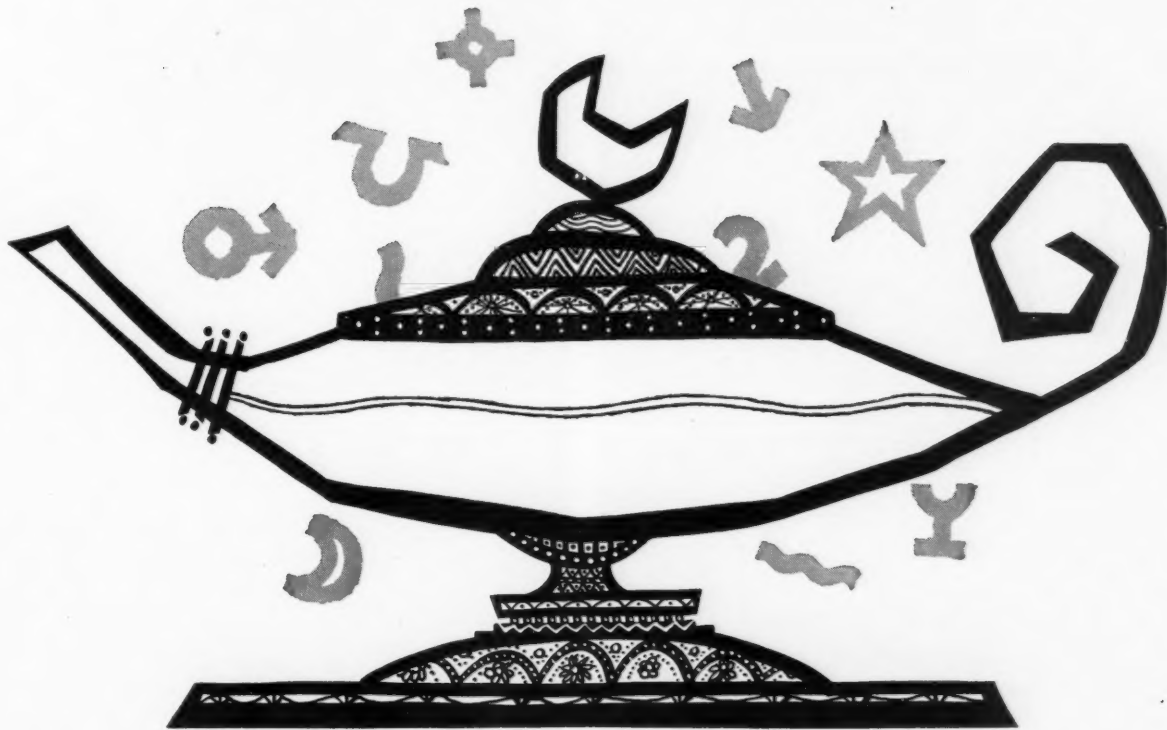
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REPORT ON STATE FARM / Agent Support



"Red" Barber, famous sportscaster and host on State Farm's **"Red Barber's Corner"** (NBC TV, Friday nights) chats coast to coast with **Hank Weaver**, popular West Coast sports personality and host on State Farm's **"Hank Weaver's Corner"** (ABC-TV Wed., 7:50-8:00 P.M., seen in California, Oregon and Washington).

SAID MR. BARBER TO MR. WEAVER...

RED: Hank, I understand that every month over 10,000,000 people watch us on our State Farm TV sports shows.

HANK: Right, Redhead! They tell me "Red Barber's Corner" reaches over 2 million homes every Friday night—in over 100 of the richest markets for auto insurance.

RED: Yes, indeed. And I hear "Hank Weaver's Corner" is doing a championship job for State Farm in the important West Coast area.

HANK: Right again, Mr. B. State Farm believes in giving agents everywhere strong TV support.

RED: They sure cover all bases, Hank. In the 20 important markets that cannot carry our network shows, State Farm uses top-notch local TV personalities to help sell the State Farm name.

HANK: It means State Farm is batting nearly 1,000 in the TV league... with over 90% coverage of all TV homes in their operating area.

RED: Brother, that's teamwork!

No wonder State Farm's the leader in auto insurance... with more than 4,500,000 cars insured, and 4,000 new members signing up every day!

The unique feature of State Farm's national advertising is that every one of our agents—and they're located most everywhere—can capitalize on it. Because each agent represents *only* State Farm, he can tie in his own name to the advertising—and make company-sponsored TV and magazine ads pay off in hometown sales.



For more information about any aspect of State Farm operations, simply write to: Director of Public Relations, State Farm Insurance Companies, Home Office: Bloomington, Illinois.